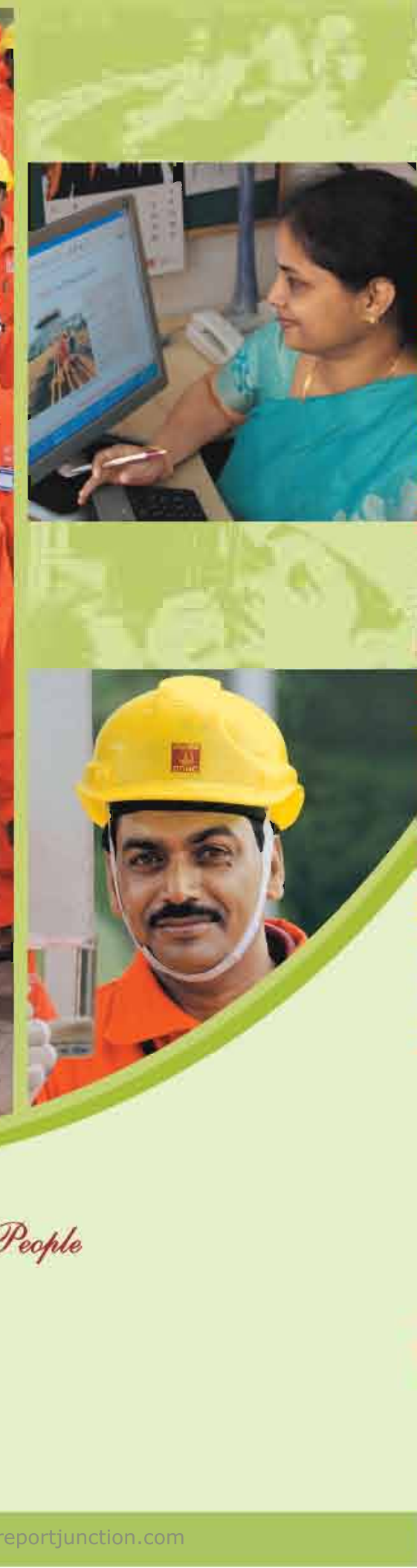
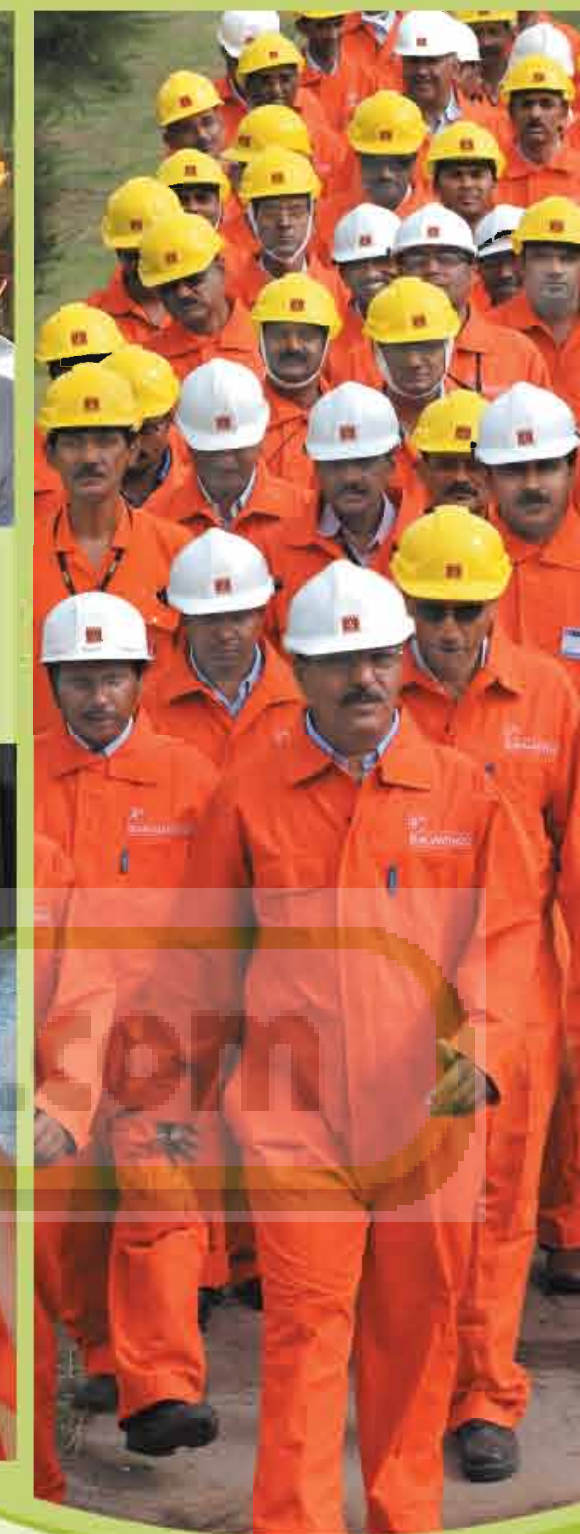


Well Lunej #1, the first ONGC Well was spudded on 25th July 1958 and the first trickle of oil flowed on 4th September 1958. Lunej scripted the hydrocarbon Saga of India.

ongc

Annual Report 2008-09



Our Most Valuable Asset - Our People




Oil and Natural Gas Corporation Ltd.
Regd. Office: Jeevan Bharati Building, Tower II,
124, Indira Chowk, New Delhi - 110001
Tel: 011-23301257 & 23301277, Fax: 011 - 23316413
www.ongcindia.com

Conceptualized and designed by R K SWAMY BBDO



**Annual Report
2008-09**



The challenge to man our
Offshore Rigs can daunt the
bravest of men. But for the
ONGCians it is just another
goal to conquer.

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Chairman's Message

Dear Shareholder,

Let me share with you the pleasure for all round commendable performance of your valued Company, despite the fact that the global economy has been in churning state since more than a year and continues to be sluggish.

During the year under review, your Company set most significant milestone of highest reserve accretion in the last two decades. On financial parameters, the Company also achieved highest-ever Sales Revenue of Rs. 639,682 million; 6% more than the previous year. Net Profit at Rs. 161,263 million however has been 3% lower than the previous year, mainly on account of sharing huge burden of under recoveries of the Oil Marketing Companies (OMCs), to the extent of Rs. 282,252 million.


However, despite lower profits your Directors have recommended a final dividend of Rs.14 per share (140%); maintaining the aggregate dividend at Rs. 32 per share (320%), at par with the last year, which happened to be the highest aggregate dividend.

You may recall, in my last communiqué, I had mentioned that the north-bound crude price is a major concern that the economies need to address on top priority. Crude oil price increased exponentially till July 2008; peaking at \$147 per barrel on 11th July 2008. Its build up, though sudden, was perceived to be consistent and robust with high-growth global economy at that time. In reality, the historical levers of oil markets went out of the grips of the producers as well as the consumers and were hijacked by the speculators on the commodity exchanges.

One of the worst global recessions witnessed crumbling of established institutions, bankruptcy of major investment banks,





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closure of companies, liquidity crunch, job cuts, etc.; all extremely painful. High crude oil price has also been one of the contributory reasons for the devastating economic meltdown. The three digit oil regime stretched the energy deficient economies, developed or developing ones, to the extent that it gradually got detached from consumer spending and confidence. And as the global economies plummeted, one after another, oil demand moderated and with sentiments turning negative on commodity exchanges, the oil prices nose-dived. However, the present moderation is deemed to be temporary and demand is bound to bounce back once the economies gain comfort zone.

As such, sustaining supplies remains the first priority for the industry; not only from the present assets, but even from all the plays which attracted attention in high-price regime like, deepwater, ultra-deepwater, oil sands etc. Commitment, investment and technology will play a major role in tapping this large pool of located and yet-to-be-discovered resources or from new and alternate sources of energy. Industry will have to eschew volatility which requires paradigm shift in policy framework; not only from producers and consumers but even at the commodity exchanges.

Against this backdrop, if you evaluate the performance of your Company you will appreciate that the company focused on its core, maintained the right balance of growth portfolios and prudently invested for the future.

During the year 2008-09, your Company accreted 284.81 million metric tonnes (MMT) of in-place volume of hydrocarbons; the highest in the last two decades, as stated above. I believe this is the result of the **first strategic pursuit** of your Company i.e., '**intensified exploration**'.

The **second strategic pursuit** of your Company has been '**improving recovery factor**'. Your Company has systematically been implementing Improved Oil Recovery (IOR) and Enhanced Oil Recovery (EOR) projects in 15 major fields since 2001. The IOR/ EOR schemes helped in improving recovery factor of fifteen major fields from 27.5% in 2000-01 to 33.1% in 2008-09. At the same time, these schemes along with other measures helped in arresting natural decline in these mature fields (of 25-30 years vintage) and in maintaining production levels. During the year, your Company, alongwith share from overseas assets of OVL and domestic joint ventures, registered 61.23 MMT of O+OEG production; marginally (1%) lower than last year's highest-ever production of 61.85 MMT.

Your Company is aggressively pursuing for overseas E&P projects for equity oil and gas; the **third strategic pursuit** of your Company. ONGC Videsh Limited (OVL), the wholly-owned subsidiary of your Company, is now participating in 40 E&P projects in 16 countries. During the year 2008-09, OVL acquired seven E&P projects in five countries; two being producing properties, and registered highest-ever ultimate reserves (3P) accretion of 135.08 MMT. This fiscal, OVL's share in equity oil and gas has been 8.78 MMT of O+OEG.

During the year, your Company incurred Capex spend of Rs. 218,201 million for its various activities; more than 94% being on the core activity Exploration and Production (E&P) of hydrocarbons. OVL invested Rs. 161,049 million towards overseas projects during FY'09. These investments were guided by the strategic pursuits of your Company and the listed priorities which have been mapped for sustained growth.

Among the listed priorities, the first one is expeditious development of discoveries. You may be pleased to note that 45 out of 111 discoveries made since 2002-03 have already been brought to the stream and remaining discoveries are at different

stages of appraisal. Your Company has constituted a new dedicated business unit for focused development of recent East Coast discoveries.

Your Company has systematically been inducting state-of-the-art technology. At the same time, upgradation of existing equipment and infrastructure has also been taken up on rolling basis to debottleneck field infrastructure for better efficiency.

With a vision to emerge as an Energy Company, the management has been aggressively exploring new sources of energy, like Coal Bed Methane (CBM), Underground Coal Gasification (UCG), Shale Gas, etc. Your Company has established meaningful leads in Coal Bed Methane (CBM) exploration recently. The pilot project at Parbatpur, Jharkhand is expected to commence production this year. UCG Pilot project at Vatsan, Gujarat is also expected to commence its operations next fiscal. Your Company has initiated Shale Gas exploration for which Damodar Basin, Jharkhand, has been identified for the first pilot project.

Looking beyond hydrocarbons, green and sustainable energy solutions are yet another priority for your Company. This is more so required for energy security of the nation. ONGC Energy Centre has taken up a number of research projects in the area of new and alternate energy. After commissioning of a 50 MW Wind Power Plant in Gujarat, your Company is now planning to set up a Photo Voltaic Solar farm of 10 MW. Your Company is also pursuing Uranium exploration in association with Uranium Corporation of India Limited (UCIL).

The value-multiplier projects which the Company is pursuing in the areas of Petrochemicals, SEZs, Power, etc., are progressing well and once commissioned will provide integrated dimension to your Company's business pursuits with huge upside potential.

This year again your Company has received 'Nil' comments from CAG and Statutory Auditors; the third time in a row. This proves our conviction for the best accounting and disclosure practices. Recognizing various initiatives for good governance practices, Standing Conference on Public Enterprises (SCOPE) bestowed Gold Trophy in November' 2008 (top honours) for the 'SCOPE Meritorious Award for Good Governance 2006-2007' to your Company.

Your Company, a responsible Corporate Citizen, has also enhanced its commitment towards Corporate Social Responsibility (CSR). It has resolved to earmark 2% of the net profit (compared to 0.75% earlier) for the various CSR projects which will be looked after by a dedicated group.

Health, Safety and Environment (HSE) has always been a focus area for your Company and we can boast of having adopted best of the standards and practices.

Your Company's performance and efforts have been well recognized the world over. ONGC, a Fortune Global 500 company, has been ranked as Number One E&P Company in the world and 25th among leading global energy majors as per Platts Top 250 Global Energy company rankings 2008; based on assets, revenues, profits and Return on Invested Capital (ROIC) (October 2008). Further, your Company is the only company from India to figure in the elite list of 40 companies, out of Fortune Global 500 companies list of 2009, based on Return on Revenues and Return on Assets.

Your support and confidence continues to motivate us to excel in all our endeavours. We the ONGCians commit ourselves to ensure sustained growth of the organization and emerge as a global Energy Company with innovative solutions in near future.



(R S Sharma)
Chairman & Managing Director



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.....Cash Flow Statement



.....Balance Sheet abstract and Company's General Business Profile

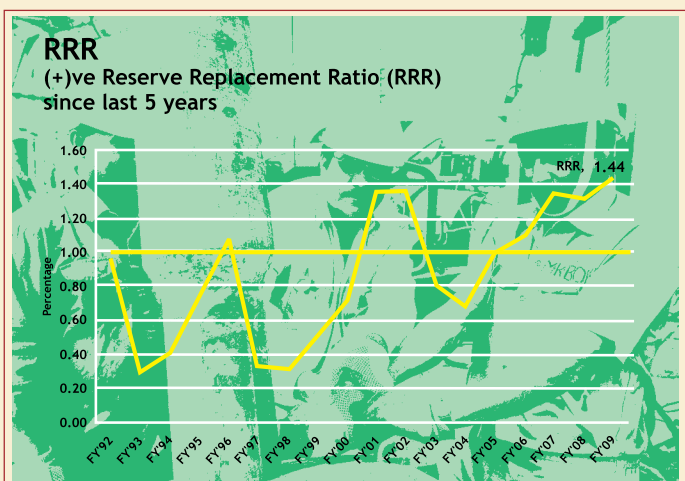
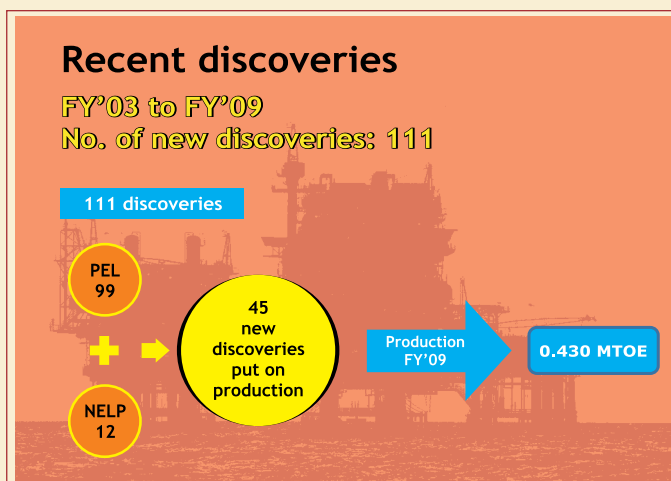
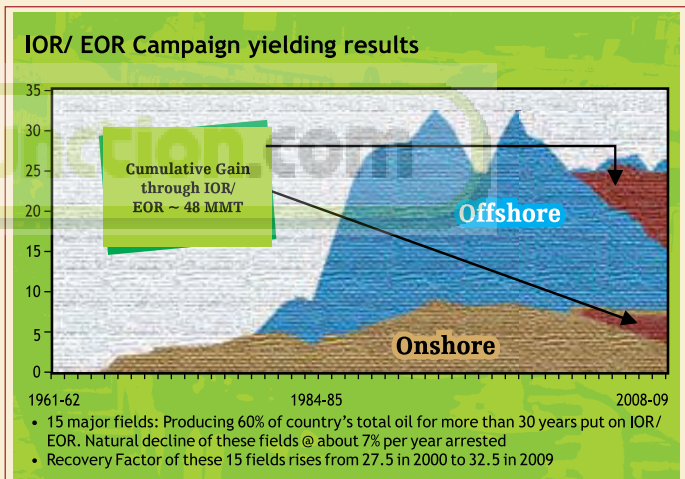
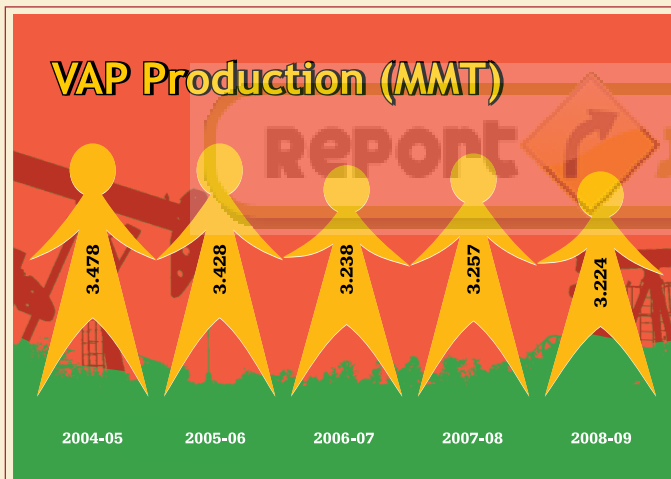
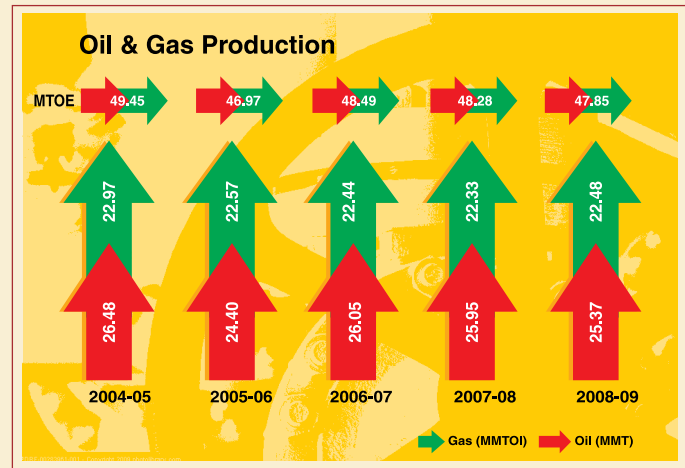
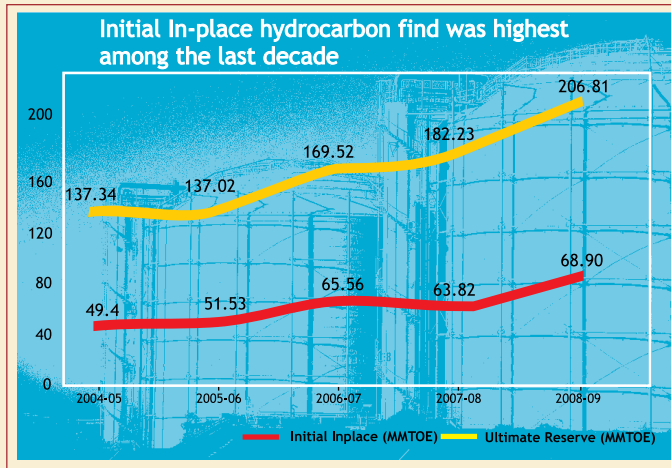


.....Statement Pursuant to Section 212 of the Companies Act, 1956



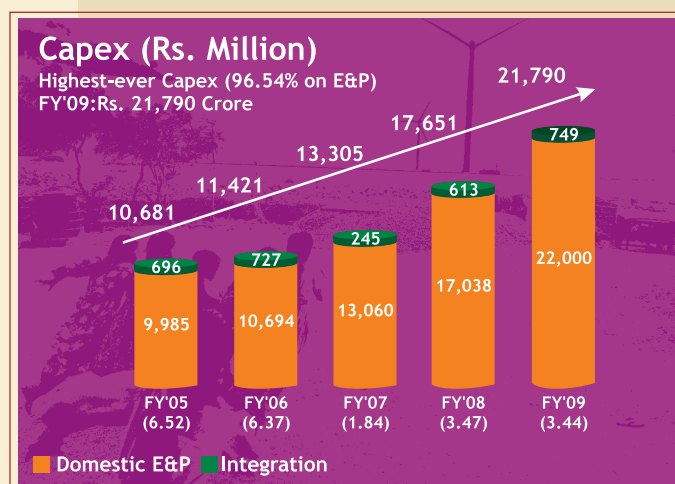
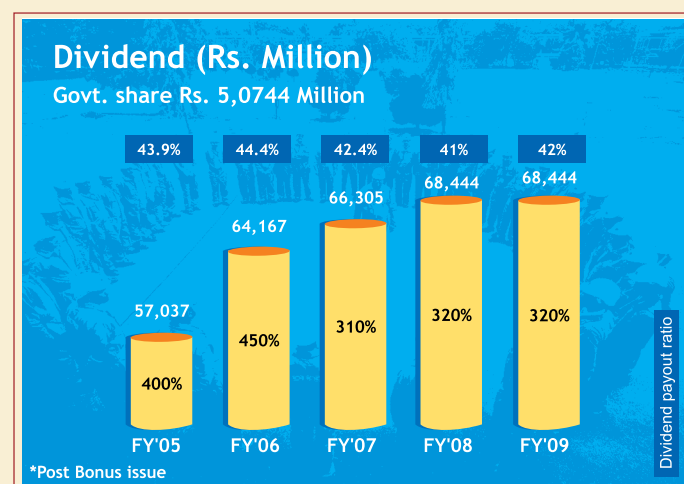
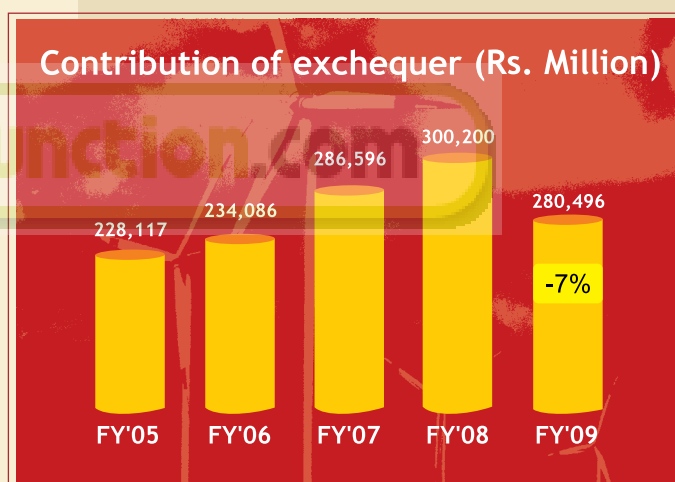
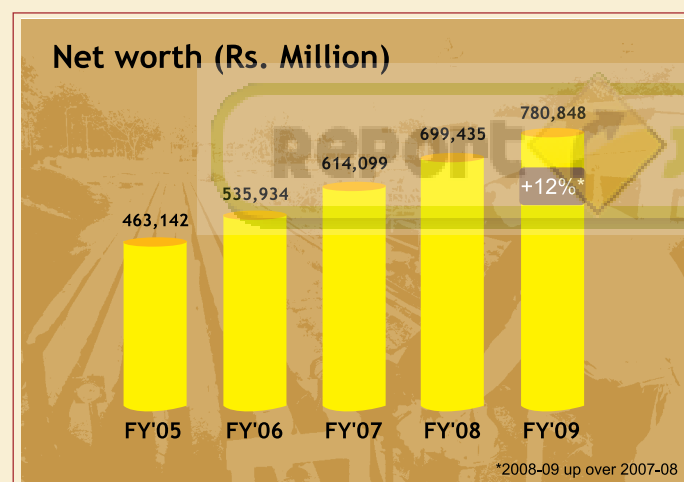
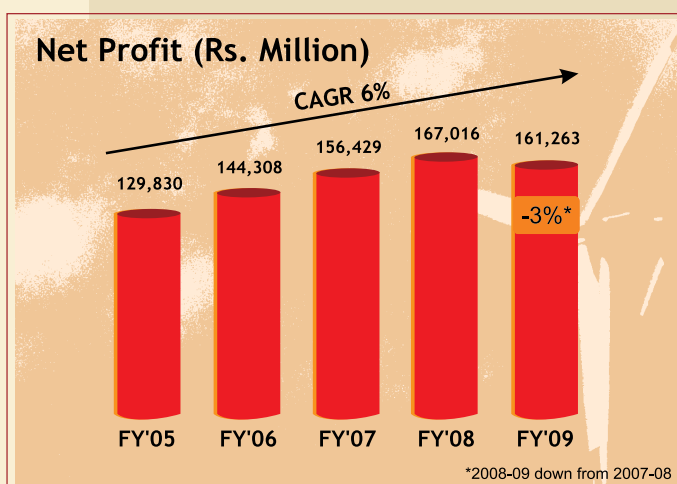
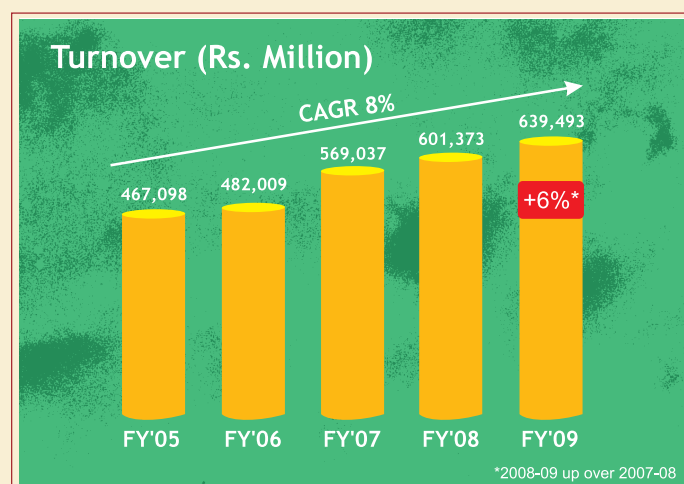
.....Consolidated Financial Statements of ONGC Group

Operational highlights FY '09





Financial highlights FY '09





Board of Directors



R S Sharma
Chairman & Managing Director



Dr. A K Balyan
Director (Human Resource)



A K Hazarika
Director (Onshore)



D K Pande
Director (Exploration)



U N Bose
Director (Technology &
Field Services)



D K Sarraf
Director (Finance)



S Vasudeva
Director (Offshore)
(from 1st February, 2009)



N K Mitra
Director (Offshore)
(upto 31st January, 2009)



S Sundareshan



Sindhushree Khullar
(upto 16th
December,2008)



L M Vas
(from 16th
December,2008)



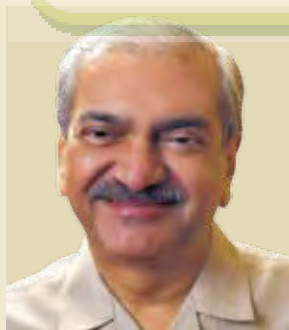
Dr. R K Pachauri
(upto 25th June,2009)



V P Singh
(upto 25th June,2009)



P K Choudhury
(upto 25th June,2009)



Dr. Bakul H Dholakia
(upto 25th June,2009)



Chanda Kochhar
(from 11th Nov,2008 to
24th June, 2009)



S S Rajsekar
(from 11th Nov,2008)



S Balachandran
(from 11th Nov,2008)



Santosh Nautiyal
(from 11th Nov,2008)



Anita Das
(from 5th Aug,2009)



R S Butola
Managing Director
ONGC Videsh Limited
(Special Invitee)

Reference information



Registered Office

Tower II, Jeevan Bharati Building,
124, Indira Chowk, New Delhi – 110 001

Corporate Office

Tel Bhavan, Dehradun – 248 003
Uttarakhand

Statutory Auditors

Padmanabhan Ramani & Ramanujam, Chennai
Singhi & Co, Kolkata
PSD & Associates, Jaipur
Arun K. Agarwal & Associates, New Delhi
Kalyaniwala & Mistry, Mumbai

Cost Auditors

M/s D.V. Joshi & Associates, Pune
M/s K G Goyal & Associates, Jaipur
M/s Rao, Murthy & Associates, Bangalore
M/s Mani & Co., Kolkata
M/s Shome & Banerjee, Kolkata
M/s R. Nanabhoy & Co., Mumbai
M/s R. J. Goel & Co., New Delhi

Bankers

State Bank of India

Subsidiaries

ONGC Videsh Ltd.
Mangalore Refinery & Petrochemicals Ltd.

Registrar & Share Transfer Agent

M/s Karvy Computershare Private Ltd.
Plot No.17-24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500081.

105 – 108, 1st Floor Arunachal Building
19, Barakhamba Road, New Delhi – 110 001

Listed at

Bombay Stock Exchange
National Stock Exchange

Depositories

National Securities Depository Ltd
Central Depository Services (India) Ltd.

Company Secretary

N K Sinha

Notice



Notice is hereby given that the 16th Annual General Meeting of the Members of OIL AND NATURAL GAS CORPORATION LIMITED will be held on Wednesday, the 23rd September, 2009 at 10:00 hrs. at Siri Fort Auditorium, Khel Gaon, August Kranti Marg, New Delhi-110 049, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2009, Profit & Loss Account for the year ended 31st March, 2009 together with the Reports of the Directors and the Auditors' thereon and comments of the Comptroller & Auditor General of India in terms of Section 619 of the Companies Act, 1956.
2. To confirm the payment of interim dividend and declare final dividend on equity shares, for the year 2008-09.
3. To appoint a Director in place of Dr. A.K.Balyan, who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Shri U N Bose, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

ITEM No. 5

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri S S Rajsekar, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956, effective 11th November 2008 and holds office upto the 16th Annual General meeting and in respect of whom, the Company has received a notice in writing, under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

ITEM No. 6

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri S Balachandran, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956, effective 11th November 2008 and holds office upto the 16th Annual General meeting and in respect of whom, the Company has received a notice in writing, under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

ITEM No. 7

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Santosh Nautiyal, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956, effective 11th November 2008 and holds office upto the 16th Annual General meeting and in respect of whom, the Company has received a notice in writing, under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

ITEM No. 8

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Smt L M Vas, Addl. Secy, DEA, MoF, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956, effective 16th December, 2008 and holds office upto the 16th Annual General meeting and in respect of whom, the Company has received a notice in writing, under Section 257 of the Companies Act, 1956, from a member proposing her candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

ITEM No. 9

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Sudhir Vasudeva, who was appointed as an Additional Director and designated as Director (Offshore) effective 1st February, 2009, under Section 260 of the Companies Act, 1956, and holds office upto the 16th Annual General meeting and in respect of whom, the Company has received a notice in writing, under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

ITEM No. 10

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Ms. Anita Das, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956, effective 5th August, 2009 and holds office upto the 16th Annual General meeting and in respect of whom, the Company has received a notice in writing, under Section 257 of the Companies Act, 1956, from a member proposing her candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By Order of the Board of Directors

(N K Sinha)
Company Secretary

Regd. Office:

Jeevan Bharti Building

Tower II, 124 Indira Chowk, New Delhi - 110 001.

10th August, 2009

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS (48 HRS.) BEFORE THE TIME OF COMMENCEMENT OF THE MEETING. BLANK PROXY FORM IS ATTACHED.
2. Relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business, as set out above is annexed hereto.
3. Brief resume of the Directors seeking re-appointment as mandated under Clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto and forms part of the Notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 15th September, 2009 to Wednesday, the 23rd September, 2009 (both days inclusive).
5. The Board had recommended a final Dividend of Rs. 14 per equity share at its meeting held on 24th June, 2009. The dividend, if approved by the Members at the said Annual General Meeting, will be paid before 22nd October, 2009 to the members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before Monday, the 14th September, 2009 and the respective Beneficial Owners as at the close of business hours on Monday, the 14th September, 2009 as per details thereof to be furnished by the depositories.
6. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrar and Share Transfer Agent of the Company – M/s. Karvy Computershare Private Ltd. (Karvy), Plot No. 17-24, Vittal Rao Nagar, Madhapur, HYDERABAD – 500 081 Phone Nos. 040-23420815-19 & 1600-345-4001(Toll Free), Fax No. 040-23420814; e-mail: mailmanager@karvy.com. Karvy is also the depository interface of the Company with both NSDL and CDSL.

However, keeping in view the convenience of the Shareholders, documents relating to shares will continue to be accepted at Karvy Computershare Private Ltd. 105-108, 1st Floor, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110001, Phone Nos. 011-41036370 (tele-fax) & 43528522; e-mail: delhi@karvy.com and at the Registered Office of the Company at 8th Floor, Jeevan Bharati, Tower-II, 124, Indira Chowk, New Delhi- 110001, Phone No.011-23301277/23301299; e-mail: secretariat@ongc.co.in .
7. The Company has designated an exclusive e-mail ID called secretariat@ongc.co.in for redressal of shareholders'/investors' complaints/grievances. In case you have any queries/complaints or grievances, then please write to us at the above e-mail address.
8. Members holding shares in electronic form may please note that the bank account details and 9-digit MICR Code of their Bankers, as noted in the records of their depository, shall be used for the purpose of remittance of dividend through Electronic Clearing Service (ECS), or for printing on dividend warrants wherever applicable. Members are therefore requested to update their bank account particulars, change of address and other details with their respective Depository Participants for shares held in demat mode and to the Registrar and Share Transfer Agent for shares held in physical form.
9. Reserve Bank of India (RBI) is providing ECS facility for payment of dividend in select cities. Members holding shares in physical form are advised to submit particulars of their bank account, viz., names and address of the branch of the bank, 9 digit MICR code of the branch, type of account and account number latest by 14th September, 2009, to M/s Karvy Computershare Private Ltd.
10. Pursuant to Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid/unclaimed amount of dividends paid up to 2000-01, to the Investor Education and Protection Fund of the Central Government. The unpaid/unclaimed amount of Final Dividend declared on 20th September, 2002 for the financial year 2001-02 will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government by 19th October, 2009. Members who have not encashed their dividend warrants pertaining to the said year may approach the Company or its Registrar & Share Transfer Agent for obtaining payment thereof.
11. In order to avoid the incidence of fraudulent encashment of dividend warrants, the Members holding shares in physical form are requested to provide their Bank Account Number, Name and Address of the Bank/Branch to the Company or Karvy to enable them to incorporate the same in the dividend warrant.
12. Documents referred to in the accompanying Notice are available for inspection at the Registered office of the Company on all working days between 10.00 a.m. to 1.00 p.m. prior to the Annual General Meeting.
13. Members desirous of obtaining any information/clarification (s) concerning the accounts and operations of the Company or intending to raise any query are requested to forward the same at least 10 days before the date of the meeting to Company Secretary at the Registered Office of the Company, so that the same may be attended to appropriately.
14. Members who have not encashed their dividend warrants within its validity period may write to the Company at its Registered Office or M/s Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company, for revalidating the warrants or payment in lieu of such warrants in the form of demand draft.
15. In terms of Section 109A of the Companies Act, 1956, nomination facility is available to individual shareholders. Members holding shares in physical form may nominate a person in respect of all the shares held by them whether singly or jointly. Members who hold shares in individual name are advised to avail of the nomination facility by filing Form No. 2B in their own interest. Blank form can be had from Karvy on request. Members holding shares in dematerialised form may contact their respective DPs for registration of nomination.
16. Members holding physical shares in multiple folios in identical names are requested to send their share certificates to Company's Registrar and Share Transfer Agent, M/s Karvy Computershare Private Ltd. for consolidation.
17. Members are requested:
 - i) to bring their copies of Annual Report and Attendance Slip duly completed and signed at the meeting.
 - ii) to quote their Folio/DP & Client identification No. in all correspondence.



- iii) not to bring brief case, bags, eatables, cell phone etc. as these are prohibited inside the meeting hall for security reasons.
- iv) to notify immediately any change of their address and bank particulars to the Company or its Share Transfer Agent, in case shares are held in physical form.

AND

In case their shares are held in dematerialised form, information should be passed on directly to their respective Depository Participants and not to the Company/Share Transfer Agent, without any delay.

- v) to note that no gift will be distributed at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO.5

APPOINTMENT OF SHRI S S RAJSEKAR

Shri S S Rajsekar, was appointed as an Additional Director (non-official part-time Director) on the Board of ONGC, effective 11th November 2008. In terms of Section 260 of the Companies Act, 1956 he holds office upto the 16th Annual General meeting of the Company. The Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying intention to propose Shri S S Rajsekar as a candidate for the office of Director. Shri S S Rajsekar, if appointed, will be liable to retire by rotation under Sections 255 and 256 of the Companies Act, 1956.

Shri S S Rajsekar, born on 29th May, 1954, a Chemical Engineer, is an accomplished professional, a first generation entrepreneur with over 30 years experience in real estate promotion and trade. He has been involved in the area of rural agriculture management and social and community development. A proactive Rotarian, he is involved in several socially relevant projects in and around Tamil Nadu.

Shri S S Rajsekar holds nil shares of ONGC in his own name. He is a Director in Chennai Consultancy Services Pvt. Ltd., Chidbhava Constructions & Properties Pvt. Ltd., Super Sakthi Animation Pvt. Ltd., Super Veda Innovations Pvt. Ltd., Coromandel Engineering Company Ltd. and Tamilnadu Corpn. for Development of Women Ltd. He is a member of the Audit Committee and Shareholders Grievance Committee of Coromandel Engineering Company Ltd.

None of the Directors except Shri S S Rajsekar is interested or concerned in the resolution.

The Board of Directors consider that in view of the background and experience of Shri S S Rajsekar, it would be in the interest of the Company to appoint him as a Director of the Company. The Board recommends the resolution for your approval.

ITEM No. 6

APPOINTMENT OF SHRI S BALACHANDRAN

Shri S Balachandran was appointed as an Additional Director (non-official part-time Director) on the Board of ONGC, effective 11th November 2008. In terms of Section 260 of the Companies Act, 1956 he holds office upto the 16th Annual General meeting of the Company. The Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying intention to propose Shri S Balachandran as candidate for the office of Director. Shri S Balachandran, if appointed, will be liable to retire by rotation under Sections 255 and 256 of the Companies Act, 1956.

Shri S Balachandran, born on 27th August, 1946, is a B. Sc. Gold medalist and an M. Sc. first class. He joined Indian Railway Accounts Service in 1971. He has served in various capacities in Railways and on deputation outside in Corporate and other Government Sectors. He served in the senior management level in Indian Railway Finance Corporation including as its Managing Director. He was involved in setting up of Railtel Corporation, Rail Vikas Nigam Ltd and Joint ventures like Karnataka Rail Infrastructure Development Enterprises, Hassan Mangalore Rail Development Company, Pipavav Rail Corporation, etc apart from being a director in some of these companies. He worked as Under Secretary and Deputy Secretary of UPSC and Joint Director of C&AG.

Shri S Balachandran holds nil shares in ONGC. He is a Director on the Board of Dredging Corporation of India Ltd, Container Corporation of India Ltd, PTC Energy Ltd. and PTC India Ltd. He holds 25% (paid up share capital Rs. 2 lakhs only) in SPARR Infratech (P) Ltd. He is Chairman of the Audit Committee of Container Corporation of India Ltd, Member of the Audit Committee and Grievance Committee of Dredging Corporation of India Ltd and Member of the Audit Committee of PTC India Ltd. and PTC Energy Ltd.

None of the Directors except Shri S Balachandran is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri S Balachandran, it would be in the interest of the Company to appoint him as a Director of the Company. The Board recommends the resolution for your approval.

ITEM No. 7

APPOINTMENT OF SHRI SANTOSH NAUTIYAL

Shri Santosh Nautiyal was appointed as an Additional Director (non-official part-time Director) on the Board of ONGC, effective 11th November 2008. In terms of Section 260 of the Companies Act, 1956, he holds office upto the 16th Annual General meeting of the Company. The Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying intention to propose Shri Santosh Nautiyal as a candidate for the office of Director. Shri Santosh Nautiyal, if appointed, will be liable to retire by rotation under Sections 255 and 256 of the Companies Act, 1956.

Shri Santosh Nautiyal, born on 18th July, 1946, is a Post Graduate in Political Science and Public Administration and an IAS (Orissa – 1968). During the 38 years of his service he worked as MD, IPICOL, Orissa, Principal Secretary to the Government of Orissa, Joint Secretary, Ministry of Steel, Additional Secretary, Department of Consumer Affairs, Chairman, Food Corporation of India. He retired as the Chairman of National Highways Authority of India in July, 2006. He had a long experience of over 18 years in the Industries Sector and infrastructure development in various capacities and has been on the Board of National Mineral Development Corporation Ltd. (NMDC) and Kudremukh Iron Ore Company Ltd. (KIOCL).

Shri Santosh Nautiyal holds nil shares in ONGC. He is a Director on the Board of NTPC Ltd.

None of the Directors except Shri Santosh Nautiyal is interested or concerned in the resolution.

The Board of Directors consider that in view of the background and experience of Shri Santosh Nautiyal, it would be in the interest of the Company to appoint him as a Director of the Company. The Board recommends the resolution for your approval.

ITEM No. 8

APPOINTMENT OF SMT L M VAS

Smt. L M Vas, Addl. Secy, DEA, MoF was appointed as an Additional Director and designated as Government Director on the Board of ONGC effective 16th December, 2008. In terms of Section 260 of the Companies Act, 1956 she holds office upto the 16th Annual General meeting of the Company. The Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying intention to propose Smt. L M Vas as a candidate for the office of Director. Smt. L M Vas, if appointed, will be liable to retire by rotation under Sections 255 and 256 of the Companies Act, 1956.

Smt. L M Vas, born on 15th April, 1954, holds a degree in Bachelor of Arts (English Literature), LLB, Masters in Economics and M.Phil in Social Sciences. She is an IAS of 1977 batch and is currently posted as Additional Secretary, Department of Economic Affairs, Ministry of Finance, Government of India. She has served with distinction both Central and State Governments. She succeeds Smt Sindhushree Khullar as the Government Director on the Board of ONGC.

Smt. L M Vas is a director on the Board of National Skill Development Corporation. She does not hold any shares in ONGC.

None of the Directors except Smt L M Vas is interested or concerned in the resolution.

The Board of Directors consider that in view of the background and experience of Smt L M Vas, it would be in the interest of the Company to appoint her as a Director of the Company. The Board recommends the resolution for your approval.

ITEM No. 9

APPOINTMENT OF SHRI SUDHIR VASUDEVA

Shri Sudhir Vasudeva, was appointed as an Additional Director and designated Director (Offshore) effective 1st February, 2009. In terms of Section 260 of the Companies Act, 1956 he holds office upto the 16th Annual General meeting of the Company. The Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying intention to propose Shri Sudhir Vasudeva as a candidate for the office of Director. Shri Sudhir Vasudeva, if appointed, will be liable to retire by rotation under Sections 255 and 256 of the Companies Act, 1956.

Shri Sudhir Vasudeva, born on 25th February, 1954, succeeds Shri N K Mitra, who superannuated on 31st January, 2009. A Chemical Engineer (Gold medallist) and a management graduate, Shri Sudhir Vasudeva joined ONGC as an executive trainee in the first batch, 1976, and after topping in his batch he steadily worked his way up, with majority of his assignments in offshore oil-fields. He has maintained his continuous connect with professional best practices in his field; he was President Mumbai arm of the Society of Petroleum Engineers (SPE).

Known across ONGC for his team management capabilities, Shri Vasudeva was steering the Offshore Joint Venture segment of ONGC's operations before taking over as Director (Offshore).

Shri Sudhir Vasudeva holds 1363 shares of ONGC in his own name. He is a director of ONGC Videsh Ltd., Mangalore Refinery & Petrochemicals Ltd and Pawan Hans Helicopters Ltd. He is member of the Audit Committee of ONGC Videsh Ltd.

None of the Directors except Shri Sudhir Vasudeva is interested or concerned in the resolution.

The Board of Directors consider that in view of the background and experience of Shri Sudhir Vasudeva, it would be in the interest of the Company to appoint him as a Director of the Company. The Board recommends the resolution for your approval.

ITEM No. 10

APPOINTMENT OF MS. ANITA DAS

Ms. Anita Das was appointed as an Additional Director (non-official part-time Director) on the Board of ONGC, effective 5th August, 2009. In terms of Section 260 of the Companies Act, 1956, she holds office upto the 16th Annual General meeting of the Company. The Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956, signifying intention to propose Ms. Anita Das as candidate for the office of Director. Ms. Anita Das, if appointed, will be liable to retire by rotation under Sections 255 and 256 of the Companies Act, 1956.

Ms. Anita Das, born on 25th October, 1948, is a Post – Graduate in Arts and a member of 1972 batch of the IAS (MP cadre). She retired as Secretary to the Government of India in the Ministry of Health and Family Welfare, Department of AYUSH, in October, 2008. She has vast and wide ranging experience in the field of industrial promotion at the State level as well as in SME sector with the United Nations Industrial Development Organisation with special emphasis on development of industrial cluster in the formal and informal sectors. She has wide experience in the area of finance, budgeting, Institutional Finance and Human Resource Development.


Ms. Anita Das holds nil shares in ONGC.

None of the Directors except Ms. Anita Das is interested or concerned in the resolution.

The Board of Directors consider that in view of the background and experience of Ms. Anita Das, it would be in the interest of the Company to appoint her as a Director of the Company. The Board recommends the resolution for your approval.

By Order of the Board of Directors

Regd. Office:
Jeevan Bharti Building
Tower II, 124 Indira Chowk, New Delhi - 110 001.
10th August, 2009


(N K Sinha)
Company Secretary



Brief resume and other information in respect of directors seeking re-election at the 16th annual general meeting

| Name | Dr. A K Balyan | Shri U N Bose |
|--|--|--|
| Date of Birth & Age | July 2, 1951, 58 years | November 7, 1952, 56 years |
| Date of Appointment | August 23, 2003 | September 27, 2005 |
| Qualifications | Doctorate degree in Chemistry from Technische Hochschule for Chemie, Mersburg, Germany. An alumni of IIT, Delhi | Bachelor Degree in Mechanical Engineering |
| No. of Shares held | 600 | 298 |
| Experience in Specific Functional Areas | Holding position of Director (HR) and in-charge of Business Development & Joint Ventures; Multifarious and enriched experience of over 3 decades in various disciplines including Analytical Geo-Chemistry Lab, Mud Engineering, Planning, Exploration and Project Management. | Currently holding the position of Director (T&FS) and has to his credit, experience of about 30 years in various fields including deviation / horizontal drilling, implemented drilling programmes in high pressure / high dip and technology solutions to resolve difficult area drilling problems; initiated deep water drilling campaign in deep and ultra – deep water areas; contributed technical papers and developed high – end training facilities for rig supervisors. |
| Directorship held in other Public companies | <ul style="list-style-type: none"> • ONGC Videsh Ltd • Petronet LNG Ltd. • Mangalore Refinery & Petrochemicals Ltd. • Dahej SEZ Ltd. • Mangalore SEZ Ltd. • ONGC Tripura Power Co. Ltd. • ONGC Mangalore Petrochemicals Ltd. • ONGC Petro-additions Ltd. | <ul style="list-style-type: none"> • ONGC Videsh Ltd • Engineers India Ltd. |
| Chairmanship/ Membership of Committees across all Public companies | ONGC MEMBER <ul style="list-style-type: none"> • Human Resource Management • Health Safety & Environment • Remuneration • Shareholders/Investors' Grievance | ONGC MEMBER <ul style="list-style-type: none"> • Project Appraisal • Health, Safety & Environment • Human Resource Management |

Performance at a Glance



| | 2008-09 | 2007-08 | 2006-07 | 2005-06 |
|---|----------------|----------------|----------------|----------------|
| (Rupees in million unless otherwise stated) | | | | |
| PHYSICAL | | | | |
| Quantity Sold (Other than Trading) | | | | |
| - Crude Oil (MMT) | 22.88 | 24.08 | 24.42 | 22.45 |
| - Natural Gas (MMM3) | 20,534 | 20,432 | 20,306 | 20,500 |
| - LPG (000'Tonnes) | 1,029 | 1,037 | 1,033 | 1,084 |
| - Naptha/ARN (000'Tonnes) | 1,545 | 1,442 | 1,442 | 1,578 |
| - Ethane/Propane (000'Tonnes) | 497 | 520 | 548 | 535 |
| - Superior Kerosene Oil (000'Tonnes) | 153 | 168 | 156 | 176 |
| Quantity Sold (Trading) | | | | |
| - Superior Kerosene Oil (000'KL) | 441 | 308 | 563 | 432 |
| - HSD (000'KL) | 1,742 | 1539 | 1394 | 874 |
| - Motor Spirit (000'KL) | 273 | 232 | 121 | 110 |
| FINANCIAL | | | | |
| Income from Operations (Turnover) | 650,494 | 615,426 | 590,575 | 494,397 |
| Statutory Levies | 118,013 | 129,768 | 122,516 | 99,738 |
| Operating Expenses | 123,812 | 106,823 | 102,016 | 76,762 |
| Exchange Loss | 3,819 | (1,070) | 177 | (172) |
| Purchases (Trading) | 85,166 | 65,115 | 59,401 | 34,338 |
| Profit Before Interest Depreciation & Tax (PBITD) | 319,684 | 314,790 | 306,465 | 283,731 |
| Recouped Costs | 120,849 | 97,979 | 94,994 | 84,573 |
| Operating Income (PBIT) | 198,835 | 216,811 | 211,471 | 199,158 |
| Interest(Net) | (40,314) | (35,535) | (20,480) | (12,808) |
| Profit before Tax and Extraordinary Items | 239,149 | 252,346 | 231,951 | 211,966 |
| Extraordinary Items | 658 | 0 | 4,751 | 6,405 |
| Profit before Tax | 239,807 | 252,346 | 236,702 | 218,371 |
| Corporate Tax | 78,544 | 85,330 | 80,273 | 74,063 |
| Net Profit (PAT) | 161,263 | 167,016 | 156,429 | 144,308 |
| Dividend | 68,444 | 68,444 | 66,305 | 64,167 |
| Tax on Dividend | 11,632 | 11,632 | 10,125 | 9,000 |
| Share Capital | 21,389 | 21,389 | 21,389 | 14,259 |
| Net Worth | 780,848 | 699,435 | 614,099 | 535,934 |
| Borrowings | 267 | 369 | 696 | 1,069 |
| Working Capital | 334,949 | 322,248 | 304,021 | 265,664 |
| Capital Employed | 640,583 | 604,844 | 540,744 | 493,763 |
| Internal Resources Generation | 172,449 | 185,158 | 242,253 | 142,847 |
| Plan Expenditure | 218,201 | 176,510 | 133,050 | 114,210 |
| Contribution to Exchequer | 280,496 | 300,200 | 286,596 | 234,086 |
| Expenditure on Employees | 47,396 | 60,484 | 48,833 | 30,147 |
| Number of Employees | 33,035 | 32,996 | 33,810 | 34,722 |
| FINANCIAL PERFORMANCE RATIOS | | | | |
| PBITD to Turnover (%) | 49.1 | 51.2 | 51.9 | 57.4 |
| PBDT to Turnover (%) | 55.3 | 56.9 | 55.4 | 60 |
| Profit Margin(%) | 24.8 | 27.1 | 26.5 | 29.2 |
| Contribution to Exchequer to Turnover (%) | 43.1 | 48.8 | 48.5 | 47.3 |
| ROCE(PBITD to Capital Employed) (%) | 49.9 | 52.0 | 56.7 | 57.5 |
| Net Profit to Equity (%) | 20.7 | 23.9 | 25.5 | 26.9 |
| BALANCE SHEET RATIOS | | | | |
| Current Ratio | 2.26:1 | 2.47:1 | 2.77:1 | 3.08:1 |
| Debt Equity Ratio | 0.0003:1 | 0.001:1 | 0.001:1 | 0.002:1 |
| Debtors Turnover Ratio(Days) | 23 | 26 | 17 | 27 |
| PER SHARE DATA | | | | |
| Earning Per Share (Rs.)- before extraordinary items | 75.19 | 78.09 | 71.66* | 98.22 |
| Earning Per Share (Rs.)- after extraordinary items | 75.40 | 78.09 | 73.14* | 101.20 |
| Dividend (%) | 320 | 320 | 310* | 450 |
| Book Value Per Share(Rs.) | 365 | 327 | 287* | 376 |
| * Post bonus | | | | |



2004-05 2003-04 2002-03 2001-02 2000-01 1999-00

24.09 23.94 23.90 22.86 23.38 23.39
 20,644 21,103 21,110 20,446 20,501 20,064
 1,086 1,161 1,198 1,157 1,211 1,208
 1,567 1,656 1,642 1,681 1,514 1,393
 528 534 619 528 570 557
 177 218 234 231 221 228

970 0 0 0 0 0
 1538 0 0 0 0 0
 262 0 0 0 0 0

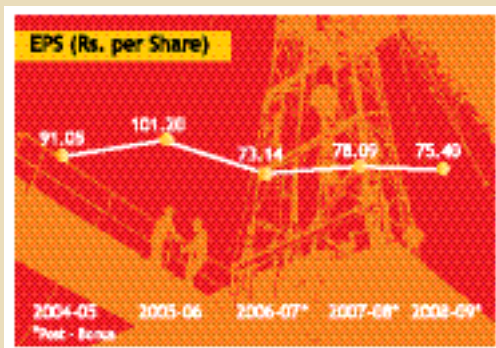
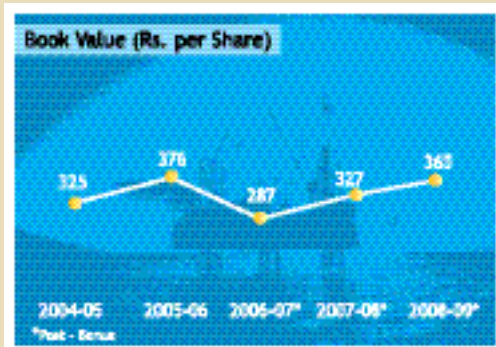
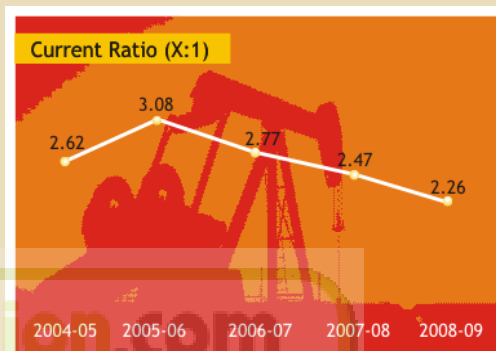
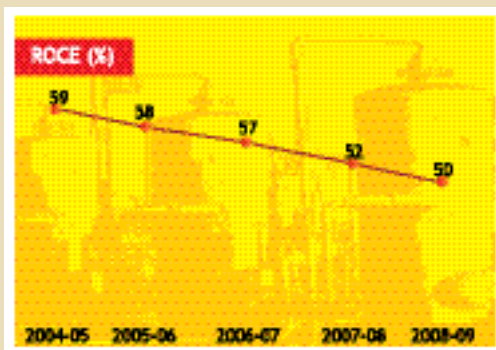
472,454 329,270 353,872 238,574 242,704 203,236
 103,258 89,156 92,334 59,742 55,515 51,592
 71,397 58,848 70,855 49,084 51,594 48,025
 2 36 191 469 1,269 3,542
 51,013 0 0 0 0 0
 246,784 181,230 190,492 129,279 134,326 100,077
 62,016 55,881 41,439 38,399 47,394 42,523
 184,768 125,349 149,053 90,880 86,932 57,554
 (11,887) (10,741) (12,185) (7,672) (4,636) (1,751)
 196,655 136,090 161,238 98,552 91,568 59,305
 0 0 0 0 0 0
 196,655 136,090 161,238 98,552 91,568 59,305
 66,825 49,446 55,945 36,573 39,280 23,010
 129,830 86,644 105,293 61,979 52,288 36,295
 57,037 34,222 42,778 19,963 15,685 9,268
 7,763 4,385 2,375 0 1,600 1,412
 14,259 14,259 14,259 14,259 14,259 14,259
 463,142 400,024 356,081 295,119 301,478 267,368
 1,490 2,118 3,627 30,381 41,911 68,501
 212,895 191,535 127,132 109,249 91,386 68,485
 419,926 395,299 352,170 329,061 310,331 293,185
 117,120 93,069 81,735 68,448 50,020 44,747
 106,813 68,520 50,890 40,403 36,072 40,687
 228,117 168,582 191,016 108,799 111,428 87,032
 27,465 25,619 25,921 21,847 23,184 23,678
 36,185 38,033 39,352 40,280 40,226 40,021

52.2 55.0 53.8 54.1 54.2 49.2
 54.8 58.3 57.2 57.3 56.1 50.1
 27.5 26.3 29.8 26.0 21.5 17.9
 48.3 51.2 54.0 45.6 45.9 42.8
 58.8 45.8 54.0 39.2 42.4 34.1
 28.0 21.7 29.6 21.0 17.3 13.6

2.62:1 2.79:1 2.45:1 2.62:1 2.89:1 2.36:1
 0.003:1 0.01:1 0.01:1 0.10:1 0.14:1 0.26:1
 29 26 41 34 26 31

91.05 60.8 73.8 43.5 36.7 25.5
 91.05 60.8 73.8 43.5 36.7 25.5
 400 240 300 140 110 65
 325 281 250 207 211 188

Financial ratios: trend



Statement of income and retained earnings

| | 2008-09 | 2007-08 | 2006-07 |
|---|----------------|----------------|----------------|
| (Rupees in million) | | | |
| REVENUES | | | |
| Sales | | | |
| Crude Oil | 391,718 | 386,805 | 372,090 |
| Natural Gas | 75,528 | 71,780 | 72,113 |
| LPG | 22,752 | 20,168 | 14,866 |
| Naphtha/Aromatic Rich Naphtha | 48,406 | 43,849 | 37,907 |
| Ethane/Propane | 9,890 | 9,291 | 9,095 |
| Superior Kerosene Oil | 16,701 | 10,775 | 15,754 |
| HSD | 61,910 | 48,621 | 42,037 |
| Motor Spirit | 11,062 | 9,159 | 4,530 |
| Others | 1,526 | 925 | 634 |
| Price Revision Arrears | - | - | 11 |
| Sub-Total | 639,493 | 601,373 | 569,037 |
| Pipeline Revenue | 2,329 | 1,522 | 82 |
| Other Receipts | 7,861 | 11,390 | 21,653 |
| Accretion / (Decretion) in stock | 811 | 1,141 | (197) |
| Total Income from Operations | 650,494 | 615,426 | 590,575 |
| COST & EXPENSES | | | |
| Operating, Selling & General | | | |
| (a) Royalty | 44,934 | 60,707 | 53,428 |
| (b) Cess/ Excise Duty | 59,174 | 61,106 | 62,024 |
| (c) Natural Calamity Contingent Duty - Crude Oil | 1,081 | 1,127 | 1,149 |
| (d) Sales Tax | 6,910 | 772 | 1,380 |
| (e) Education Cess * | 1,784 | 1,861 | 1,303 |
| (f) Octroi & Port Trust Charges | 4,130 | 4,195 | 3,232 |
| Sub-total (a to f) | 118,013 | 129,768 | 122,516 |
| Pipeline Operations (Excluding Depreciation) | 6,963 | 7,318 | 6,460 |
| Other Operational Costs | 116,849 | 99,505 | 95,556 |
| Exchange Loss | 3,819 | (1,070) | 177 |
| Purchases | 85,166 | 65,115 | 59,401 |
| Recouped Costs | | | |
| (a) Depletion | 42,148 | 36,776 | 33,849 |
| (b) Depreciation | 14,491 | 14,060 | 16,249 |
| (c) Amortisation | 67,320 | 47,580 | 43,167 |
| (d) Impairment | (3,110) | (437) | 1,729 |
| Sub-Total (a to d) | 120,849 | 97,979 | 94,994 |
| Total Cost & Expenses | 451,659 | 398,615 | 379,104 |
| Operating Income Before Interest & Tax | 198,835 | 216,811 | 211,471 |
| Interest | | | |
| - Payments | 1,190 | 590 | 215 |
| - Receipts | 41,504 | 36,125 | 20,695 |
| - Net | (40,314) | (35,535) | (20,480) |
| Profit before Tax and Extraordinary Items | 239,149 | 252,346 | 231,951 |
| Extraordinary Items | 658 | | 4,751 |
| Profit before Tax | 239,807 | 252,346 | 236,702 |
| Corporate Tax (Net) | 78,544 | 85,330 | 80,273 |
| Net Profit | 161,263 | 167,016 | 156,429 |
| Dividend | 68,444 | 68,444 | 66,305 |
| Tax on Dividend | 11,632 | 11,632 | 10,125 |
| Retained Earnings For The Year | 81,187 | 86,940 | 79,999 |

* Upto 2005-06, education cess is included in respective heads of levies.



| 2005-06 | 2004-05 | 2003-04 | 2002-03 | 2001-02 | 2000-01 | 1999-00 |
|----------|----------|----------|----------|---------|---------|---------|
| 317,357 | 311,824 | 222,124 | 244,131 | 137,115 | 141,538 | 115,614 |
| 66,701 | 53,206 | 52,039 | 49,986 | 49,446 | 49,756 | 47,147 |
| 16,293 | 12,066 | 16,352 | 19,087 | 11,473 | 14,161 | 9,279 |
| 35,679 | 29,260 | 22,538 | 22,035 | 18,782 | 18,554 | 14,063 |
| 7,401 | 5,705 | 4,779 | 5,837 | 4,082 | 4,359 | 3,844 |
| 10,605 | 16,896 | 2,658 | 3,188 | 1,731 | 1,616 | 1,028 |
| 23,403 | 29,277 | 85 | 80 | 0 | 0 | 0 |
| 3,797 | 6,846 | 0 | 0 | 0 | 0 | 0 |
| 617 | 1,434 | 1,060 | 995 | 766 | 522 | 451 |
| 156 | 584 | 3,461 | 1,568 | 5,017 | 1,355 | 8,400 |
| 482,009 | 467,098 | 325,096 | 346,907 | 228,412 | 231,861 | 199,826 |
| 15 | 23 | 24 | 478 | 3,966 | 4,612 | 1,110 |
| 10,257 | 5,034 | 4,262 | 6,276 | 6,194 | 5,784 | 2,148 |
| 2,116 | 299 | (112) | 211 | 2 | 447 | 152 |
| 494,397 | 472,454 | 329,270 | 353,872 | 238,574 | 242,704 | 203,236 |
| 46,181 | 37,911 | 28,451 | 30,002 | 25,142 | 23,024 | 21,018 |
| 44,302 | 46,498 | 46,302 | 46,994 | 25,660 | 23,833 | 23,499 |
| 1,081 | 1,138 | 1,117 | 98 | | | |
| 5,727 | 14,580 | 11,050 | 12,561 | 7,713 | 7,439 | 6,453 |
| 2,447 | 3,131 | 2,236 | 2,679 | 1,227 | 1,219 | 622 |
| 99,738 | 103,258 | 89,156 | 92,334 | 59,742 | 55,515 | 51,592 |
| 5,907 | 8,982 | 5,717 | 5,452 | 4,951 | 4,965 | 5,727 |
| 70,855 | 62,415 | 53,131 | 65,403 | 44,133 | 46,629 | 42,298 |
| (172) | 2 | 36 | 191 | 469 | 1,269 | 3,542 |
| 34,338 | 51,013 | | | | | |
| 29,702 | 24,851 | 23,323 | 17,497 | 15,638 | 15,759 | 14,099 |
| 23,759 | 5,437 | 6,057 | 7,599 | 8,286 | 10,602 | 16,224 |
| 31,437 | 31,588 | 26,339 | 16,181 | 14,228 | 18,172 | 12,200 |
| (325) | 140 | 162 | 162 | 247 | 2,861 | |
| 84,573 | 62,016 | 55,881 | 41,439 | 38,399 | 47,394 | 42,523 |
| 295,239 | 287,686 | 203,921 | 204,819 | 147,694 | 155,772 | 145,682 |
| 199,158 | 184,768 | 125,349 | 149,053 | 90,880 | 86,932 | 57,554 |
| 470 | 377 | 468 | 1,132 | 2,469 | 3,984 | 6,003 |
| 13,278 | 12,264 | 11,209 | 13,317 | 10,141 | 8,620 | 7,754 |
| (12,808) | (11,887) | (10,741) | (12,185) | (7,672) | (4,636) | (1,751) |
| 211,966 | 196,655 | 136,090 | 161,238 | 98,552 | 91,568 | 59,305 |
| 6,405 | | | | | | |
| 218,371 | 196,655 | 136,090 | 161,238 | 98,552 | 91,568 | 59,305 |
| 74,063 | 66,825 | 49,446 | 55,945 | 36,573 | 39,280 | 23,010 |
| 144,308 | 129,830 | 86,644 | 105,293 | 61,979 | 52,288 | 36,295 |
| 64,167 | 57,037 | 34,222 | 42,778 | 19,963 | 15,685 | 9,268 |
| 9,000 | 7,763 | 4,385 | 2,375 | 0 | 1,600 | 1,412 |
| 71,141 | 65,030 | 48,037 | 60,140 | 42,016 | 35,003 | 25,615 |

Statement of financial position

| | As at 31 st March, 2009 | As at 31 st March, 2008 | As at 31 st March, 2007 |
|---|--|--|--|
| (Rupees in million) | | | |
| RESOURCES | | | |
| A. Own | | | |
| 1. Net Worth | | | |
| (a) Equity | | | |
| i) Share Capital | 21,389 | 21,389 | 21,389 |
| ii) Reserves & Surplus | 765,965 | 684,785 | 597,851 |
| Sub-Total | 787,354 | 706,174 | 619,240 |
| (b) Less Intangible Assets | 6,506 | 6,739 | 5,141 |
| Net Worth | 780,848 | 699,435 | 614,099 |
| 2. Long Term Liabilities | | | |
| Deferred Tax Liability | 78,023 | 73,708 | 65,227 |
| Provision For Gratuity & Abandonment * | | | |
| Total Own Funds (1+2) | 858,871 | 773,143 | 679,326 |
| B. Outside | | | |
| 1. Unsecured Loans | | | |
| a) Indian Loans | - | - | 202 |
| b) Foreign Loans | 267 | 369 | 494 |
| Total Unsecured Loans | 267 | 369 | 696 |
| 2. Deferred Credits (Principal Only) | 0 | 0 | 0 |
| Total Outside Resources | 267 | 369 | 696 |
| TOTAL RESOURCES (A+B) | 859,138 | 773,512 | 680,022 |
| DISPOSITION OF RESOURCES | | | |
| A. Block Capital | | | |
| 1. Fixed Assets | 104,144 | 105,180 | 88,391 |
| 2. Producing Properties (Net) | 361,580 | 301,874 | 295,685 |
| less: Liability for Abandonment Cost | 160,090 | 124,458 | 147,353 |
| Total Block Capital | 305,634 | 282,596 | 236,723 |
| B. Working Capital | | | |
| a) Current Assets | | | |
| i) Inventories | 40,607 | 34,806 | 30,338 |
| ii) Debtors (Net of Provision) | 40,838 | 43,604 | 27,594 |
| iii) Cash & Bank Balances | 121,405 | 160,143 | 136,704 |
| iv) Deposit with Bank Under Site Restoration Fund Scheme # | 69,557 | 64,033 | 56,103 |
| v) Loans & Advances and Others | 273,593 | 195,745 | 193,214 |
| Sub-Total | 546,000 | 498,331 | 443,953 |
| Less | | | |
| (b) Current Liabilities and Provisions and Short Term Loans (excl. Prov. for Gratuity, Abandonment & Impairment)* | 211,051 | 176,083 | 139,932 |
| Working Capital | 334,949 | 322,248 | 304,021 |
| C. CAPITAL EMPLOYED | 640,583 | 604,844 | 540,744 |
| D. INVESTMENTS | 50,903 | 58,995 | 57,021 |
| E. CAPITAL WORKS IN PROGRESS | 116,965 | 70,745 | 48,251 |
| F. EXPLORATORY/DEVELOPMENT WELLS IN PROGRESS | 50,687 | 38,928 | 34,006 |
| TOTAL DISPOSITION | 859,138 | 773,512 | 680,022 |

* For the Year 2002-03 & 2001-02 Provision for Gratuity & Abandonment are included in Current Liabilities. From the Year 2003-04, Provision for Gratuity is included in Current Liabilities and Liability for Abandonment has been deducted from Producing Properties.

Excluded for Current Ratio.



| As at 31 st March, 2006 | As at 31 st March, 2005 | As at 31 st March, 2004 | As at 31 st March, 2003 | As at 31 st March, 2002 | As at 31 st March, 2001 | As at 31 st March, 2000 |
|--|--|--|--|--|--|--|
| 14,259 | 14,259 | 14,259 | 14,259 | 14,259 | 14,259 | 14,259 |
| 525,338 | 454,195 | 391,172 | 343,130 | 282,963 | 288,854 | 253,843 |
| 539,597 | 468,454 | 405,431 | 357,389 | 297,222 | 303,113 | 268,102 |
| 3,663 | 5,312 | 5,407 | 1,308 | 2,103 | 1,635 | 734 |
| 535,934 | 463,142 | 400,024 | 356,081 | 295,119 | 301,478 | 267,368 |
| 63,551 | 54,438 | 58,420 | 52,348 | 53,471 | | |
| | | | 0 | 0 | 7,181 | 4,183 |
| 599,485 | 517,580 | 458,444 | 408,429 | 348,590 | 308,659 | 271,551 |
| 404 | 607 | 809 | 1,011 | 1,213 | 1,415 | 2,263 |
| 665 | 883 | 1,309 | 2,616 | 29,168 | 38,411 | 62,557 |
| 1,069 | 1,490 | 2,118 | 3,627 | 30,381 | 39,826 | 64,820 |
| 0 | 0 | 0 | 0 | 0 | 2,085 | 3,681 |
| 1,069 | 1,490 | 2,118 | 3,627 | 30,381 | 41,911 | 68,501 |
| 600,554 | 519,070 | 460,562 | 412,056 | 378,971 | 350,570 | 340,052 |
| 78,422 | 58,365 | 56,684 | 53,928 | 56,008 | 58,893 | 64,001 |
| 275,833 | 229,607 | 227,372 | 171,110 | 163,804 | 160,052 | 160,699 |
| 126,156 | 80,941 | 80,292 | | | | |
| 228,099 | 207,031 | 203,764 | 225,038 | 219,812 | 218,945 | 224,700 |
| 30,385 | 25,692 | 24,057 | 15,710 | 14,526 | 15,369 | 15,649 |
| 37,043 | 37,293 | 23,178 | 39,359 | 22,514 | 17,338 | 17,245 |
| 42,792 | 58,488 | 55,735 | 36,309 | 49,105 | 20,545 | 33,554 |
| 45,336 | 36,181 | 31,682 | 24,781 | 6,350 | | |
| 216,059 | 164,004 | 145,963 | 98,811 | 84,164 | 86,463 | 52,471 |
| 371,615 | 321,658 | 280,615 | 214,970 | 176,659 | 139,715 | 118,919 |
| 105,951 | 108,763 | 89,080 | 87,838 | 67,410 | 48,329 | 50,434 |
| 265,664 | 212,895 | 191,535 | 127,132 | 109,249 | 91,386 | 68,485 |
| 493,763 | 419,926 | 395,299 | 352,170 | 329,061 | 310,331 | 293,185 |
| 48,885 | 40,367 | 44,217 | 39,826 | 33,232 | 23,607 | 22,857 |
| 28,303 | 41,419 | 9,826 | 9,329 | 6,903 | 7,283 | 9,757 |
| 29,603 | 17,358 | 11,220 | 10,731 | 9,775 | 9,349 | 14,253 |
| 600,554 | 519,070 | 460,562 | 412,056 | 378,971 | 350,570 | 340,052 |

| | 2008-09 | 2007-08 | 2006-07 |
|---|----------------|----------------|----------------|
| (Rupees in million) | | | |
| DETAILS OF DEPRECIATION ALLOCATED TO: | | | |
| Survey | 1,555 | 1,029 | 863 |
| Exploratory Drilling | 3,005 | 2,151 | 1,672 |
| Development | 24,425 | 21,924 | 14,251 |
| Profit & Loss Account | 14,434 | 13,984 | 16,094 |
| Others | 137 | 70 | 48 |
| Total | 43,556 | 39,158 | 32,928 |
| CONTRIBUTION TO EXCHEQUER | | | |
| CENTRAL | | | |
| 1. Cess/Excise Duty | 59,185 | 61,103 | 62,028 |
| 2. Natural Calamity Contingent Duty - Crude Oil | 1,082 | 1,127 | 1,149 |
| 3. Royalty | 31,394 | 30,631 | 27,920 |
| 4. Education Cess * | 1,784 | 1,863 | 1,303 |
| 5. Corporate Tax | | | |
| a) On ONGC's Account | 79,770 | 80,720 | 78,403 |
| b) For Foreign Contractors | 277 | 32 | 34 |
| 6. Dividend | 50,744 | 50,744 | 49,159 |
| 7. Tax on Dividend | 11,632 | 11,632 | 10,125 |
| 8. Customs Duties | 354 | 815 | 1,441 |
| 9. Mumbai Port Trust Charges | 657 | 742 | 691 |
| Sub Total | 236,879 | 239,409 | 232,253 |
| STATE | | | |
| 1. Sales Tax/VAT | 26,258 | 26,899 | 25,998 |
| 2. Royalty | 13,551 | 30,078 | 25,513 |
| 3. Octroi Duties etc. | 3,808 | 3,814 | 2,832 |
| Sub Total | 43,617 | 60,791 | 54,343 |
| Grand Total | 280,496 | 300,200 | 286,596 |

* Upto 2005-06, education cess is included in respective heads of levies.



| 2005-06 | 2004-05 | 2003-04 | 2002-03 | 2001-02 | 2000-01 | 1999-00 |
|---------|---------|---------|---------|---------|---------|---------|
| 722 | 575 | 760 | 712 | 370 | 463 | 376 |
| 1,885 | 1,503 | 1,517 | 1,590 | 1,748 | 1,680 | 1,708 |
| 13,605 | 10,623 | 9,322 | 9,587 | 9,725 | 9,000 | 15,933 |
| 22,226 | 5,435 | 6,056 | 7,594 | 7,865 | 10,602 | 16,224 |
| 89 | 106 | 25 | 55 | 0 | 8 | 31 |
| 38,527 | 18,242 | 17,680 | 19,538 | 19,708 | 21,753 | 34,272 |
| 44,302 | 46,501 | 46,314 | 47,008 | 25,662 | 23,862 | 23,501 |
| 1,081 | 1,138 | 1,117 | 98 | | | |
| 23,056 | 21,811 | 16,202 | 17,380 | 16,602 | 15,615 | 14,586 |
| 64,025 | 69,817 | 43,516 | 58,850 | 31,012 | 39,280 | 23,010 |
| 3 | 23 | 20 | 24 | 32 | 76 | 126 |
| 47,573 | 42,287 | 27,364 | 35,981 | 16,791 | 13,193 | 7,796 |
| 8,999 | 7,763 | 4,385 | 2,375 | 0 | 1,600 | 1,412 |
| 888 | 2,423 | 4,114 | 1,432 | 1,213 | 1,741 | 2,984 |
| 710 | 2,999 | 364 | 345 | 260 | 185 | 188 |
| 190,637 | 194,762 | 143,396 | 163,493 | 91,572 | 95,552 | 73,603 |
| 18,263 | 14,581 | 11,060 | 12,561 | 7,719 | 7,430 | 6,472 |
| 23,126 | 16,103 | 12,249 | 12,623 | 8,541 | 7,412 | 6,524 |
| 2,060 | 2,671 | 1,877 | 2,339 | 967 | 1,034 | 433 |
| 43,449 | 33,355 | 25,186 | 27,523 | 17,227 | 15,876 | 13,429 |
| 234,086 | 228,117 | 168,582 | 191,016 | 108,799 | 111,428 | 87,032 |

Glossary of energy & financial terms

A. ENERGY TERMS

Development Well: A well drilled within the proved area of an Oil and Gas reservoir to the depth of a horizon known to be productive.

Exploratory Well: A well that is not a development well, a service well, or a stratigraphic test well i.e. well drilled in an unproved area for the purpose of finding and producing Oil or Gas.

Appraisal Well: A well drilled as part of an appraisal drilling programme, which is carried out to determine the physical extent of oil and gas reserves & characteristics thereof and the quantity of recoverable Petroleum therein.

Producing Property: These may be defined as the value assigned to crude oil or gas reserves which can be produced from existing facilities.

Unit Of Production Method: The method of depreciation (depletion) under which depreciation (depletion) is calculated on the basis of the number of production or similar units expected to be obtained from the asset by the enterprise.

Condensates: Liquid hydrocarbons produced with natural gas, separated by cooling and other means.

Development: Following discovery, drilling and related activities necessary to begin production of oil or natural gas.

Enhanced Recovery: Techniques used to increase or prolong production from oil and natural gas fields.

Exploration: Searching for oil and/or natural gas, including topographical surveys, geologic studies, geophysical surveys, seismic surveys and drilling wells.

Integrated Petroleum Company: A company engaged in all aspects of the industry from exploration and production of crude oil and natural gas (upstream) to refining, marketing and transportation products (downstream).

Liquefied Natural Gas (LNG): Gas that is liquefied under extremely cold temperatures and high pressure to facilitate storage or transportation in specially designed vessels.

Liquefied Petroleum Gas (LPG): Light gases, such as butane and propane that can be maintained as liquids while under pressure.

Natural Gas Liquids (NGL): Separated from natural gas, these include ethane, propane, butane and natural gasoline.

Heavy Cut: These are heavier hydrocarbons obtained in fractionation unit of Kerosene Recovery Process, where NGL is processed to yield Aromatic Rich Naphtha and Superior Kerosene Oil.

Oil Equivalent Gas (OEG): The volume of natural gas that can be burnt to give the same amount of heat as a barrel of oil (6,000 cubic feet of gas equals one barrel of oil).

Reserves: Oil and Natural Gas contained in underground rock formations called reservoirs. Proved reserves are the estimated quantities that geologic and engineering data demonstrate can be produced with reasonable certainty from known reservoirs under existing economic and operating conditions. Reserve estimates change as additional information becomes available. Recoverable reserves are those that can be produced using all known primary and enhanced recovery methods.

Mining Lease: The license issued for offshore and onshore properties for conducting development and production activity.

Petroleum Exploration License: The license issued for offshore and onshore properties for conducting exploration activity

Work-Over: Remedial work to the equipment within a well, the well pipe work or relating to attempts to increase the rate of flow.



B. FINANCIAL TERMS

Recouped Cost: It refers to Depreciation, Depletion, Impairment and Amortisation charged in accounts. These are non-cash costs.

- a) **Depreciation:** A measure of the wearing out, consumption or other loss of value of a depreciable asset arising from use, efflux of time or obsolescence through technology and market changes. It is provided for and allocated as mentioned in para 13 of the Significant Accounting Policies.
- b) **Depletion:** A measure of exhaustion of a wasting asset (Producing Properties) represented by periodic write off of cost. It is computed with reference to the amortisation base by taking the related capital cost incurred divided by hydrocarbon reserves and multiplied by production.
- c) **Impairment:** An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. Impairment Loss is recognized in the accounts as per para 7 of the Significant Accounting Policies.
- d) **Amortisation:** It refers to the Dry wells and Survey expenditure expensed in the accounts in line with para 6.3.1 and 6.2 of the Significant Accounting Policies.

Royalty: It is a levy imposed under The Petroleum and Natural Gas Rules, 1959 payable to the respective State or Central Government granting the lease (Central Government in case of offshore) on crude oil and natural gas.

Cess: It is a levy imposed under The Oil Industry (Development) Act, 1974 on crude oil produced and payable to the Central Government.

Exploration Costs: Costs incurred in exploring property. Exploration involves identifying areas that may warrant examination and examining specific areas, including drilling exploratory wells.

Development Costs: Costs incurred in preparing proved reserves for production i.e. costs incurred to obtain access to proved reserves and to provide facilities for extracting, treating, gathering and storing oil and gas.

Production Costs: Costs incurred in lifting the oil and gas to the surface and in gathering, treating and storing the oil and gas.

Abandonment Cost: Abandonment costs are the costs incurred on discontinuation of all operations and surrendering the property back to the owner. These costs relate to plugging and abandoning of wells, dismantling of wellheads, production and transport facilities and to restoration of producing areas. Abandonment Cost is recognized in the accounts as per para 8 of the Significant Accounting Policies.

Absorption Costing: A method whereby the cost is determined so as to include the appropriate share of both variable and fixed costs.

Accounting Policies: The specific accounting principles and the methods of applying those principles adopted by an enterprise in the preparation and presentation of financial statements.

Accrual Basis of Accounting: The method of recording transactions by which revenues, costs, assets and liabilities are reflected in the accounts in the period in which they accrue. The 'accrual basis of accounting' includes considerations relating to deferrals, allocations, depreciation and amortisation. This basis is also referred to as mercantile basis of accounting.

Balance Sheet: A statement of the financial position of an enterprise as at a given date, which exhibits its assets, liabilities, capital, reserves and other account balances at their respective book values.

Book Value: The amount at which an item appears in the books of account or financial statements. It does not refer to any particular basis on which the amount is determined e.g cost, replacement value, etc.

Capital Commitment: Future liability for capital expenditure in respect of which contracts have been made.

Capital Employed: The finances deployed by an enterprise in its net fixed assets, investments and working capital. Capital employed in an operation may, however, exclude investments made outside that operation.

Capital Reserve: A reserve of a corporate enterprise which is not available for distribution as dividend.

Contingent Asset: An asset the existence, ownership or value of which may be known or determined only on the occurrence or non-occurrence of one or more uncertain future events.

Contingent Liability: An obligation relating to an existing condition or situation which may arise in future depending on the occurrence or non-occurrence of one or more uncertain future events.

Current Assets: Cash and other assets that are expected to be covered into cash or consumed in the production of goods or rendering of services in the normal course of business.

Deferred Expenditure: Expenditure for which payment has been made or a liability incurred but which is carried forward on the presumption that it will be of benefit over a subsequent period or periods. This is also referred to as deferred revenue expenditure.

Diminishing Balance Method: A method under which the periodic charge for depreciation of an asset is computed by applying a fixed percentage to its historical cost or substituted amount less accumulated depreciation (net book value). This is also referred to as written down value method.

Dividend: A distribution to shareholders out of profits or reserves available for this purpose.

Earning Per Share: The earnings in monetary terms attributable to each equity share, based on net profit for the period, before taking into account prior period items, extraordinary items and adjustments resulting from changes in accounting policies but after deducting tax appropriate thereto and preference dividends, divided by the number of equity shares issued and ranking for dividends in respect of that period.

Expenditure: Incurring a liability, disbursement of cash or transfer of property for the purpose of obtaining assets, goods and services.

Expense: A cost relating to the operations of an accounting period or to the revenue earned during the period or the benefits of which do not extend beyond that period.

Extraordinary Item: Gain or loss which arises from events or transactions that are distinct from ordinary activities of the enterprise and which are both material and expected not to recur frequently or regularly. This would also include material adjustments necessitated by circumstances, which, though related to previous periods, are determined in the current period.

Fictitious Assets: Item grouped under assets in a balance sheet which has no real value (e.g. the debit balance of the profit and loss statement).

First In, First Out (FIFO): Computation of the cost of items sold or consumed during a period as though they were sold or consumed in order of their acquisition.

Fixed Assets: Assets held for the purpose of providing or producing goods or services and that is not held for resale in the normal course of business

Fixed Cost: The cost of production which by its very nature remains relatively unaffected in a defined period of time by variations in the volume of production.

Fundamental Accounting Assumptions: Basic accounting assumption which underline the preparation and presentation of financial statements. They are going concern, consistency and accrual. Usually, they are not specifically stated because their acceptance and use are assumed. Disclosure is necessary if they are not followed.

Inventory: Tangible property held for sale in the ordinary course of business, or in the process of production for such sale, or for consumption in the production of goods or services for sale, including maintenance supplies and consumables other than machinery spares.

Investment: Expenditure on assets held to earn interest, income, profit or other benefits.

Materiality: An accounting concept according to which all relatively important and relevant items, i.e., items the knowledge of which might influence the decisions of the user of the financial statements are disclosed in the financial statements.



Net Assets: The excess of the book value of assets (other than fictitious assets) of an enterprise over its liabilities. This is also referred to as net worth or shareholders' funds.

Net Profit: The excess of revenue over expenses during a particular accounting period. When the result of this computation is negative, it is referred to as net loss. The net profit may be shown before or after tax.

Net Realisable Value: The actual/estimated selling price of an asset in the ordinary course of the business less cost of completion and cost necessarily to be incurred in order to make the sale.

Obsolescence: Diminution in the value of an asset by reason of its becoming out-of-date or less useful due to technological changes, improvement in production methods, change in market demand for the product or service output of the asset, or legal or other restrictions.

Prior Period Item: A material charge or credit which arises in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods.

Profit and Loss Statement: A financial statement which presents the revenues and expenses of an enterprise for an accounting period and shown the excess of revenues over expenses (or vice versa). It is also known as profit and loss account.

Provision: An amount written off or retained by way of providing for depreciation or diminution in value of assets or retained by way of providing for any known liability the amount of which cannot be determined with substantial accuracy.

Provisions for Doubtful Debts: A provision made for debts considered doubtful of recovery.

Straight Line Method: The method under which the periodic charge for depreciation is computed by dividing the depreciable amount of a depreciable asset by the estimated number of years of its useful life.

Sundry Debtor: Person from whom amounts are due for goods sold or services rendered or in respect of contractual obligations. Also termed as debtor, trade debtor, account receivable.

Surplus: Credit balance in the profit and loss statement after providing for proposed appropriations, e.g., dividend or reserves.

Useful life: Life which is either (i) the period over which a depreciable asset is expected to be used by the enterprise; or (ii) the number of production or similar units expected to be obtained from the use of the asset by the enterprise.

Wasting Asset: Natural resource which is subject to depletion through the process of extraction or use e.g. mines, quarries.

Working Capital: The funds available for conducting day-to-day operations of an enterprise. Also represented by the excess of current assets over current liabilities including short-term loans.

Work in Process: Work in Process includes all materials which have undergone manufacturing or processing operations, but upon which further operations are necessary before the product is ready for sale.

Net Present Value: NPV is the present (discounted) value of future cash inflows minus the present value of the cash outflows.

Participating Interest: The share expressed as a percentage in the rights and obligations of each party to a Production Sharing Contract (PSC).



Mr. R. S. Sharma, CMD, ONGC accompanied by other Directors receiving the "Leading Oil & Gas Exploration and Production Company of India 2008" Petrofed Award from Mr. R. S. Pandey, Secretary, MoP&NG



Directors' Report



Dear Members,

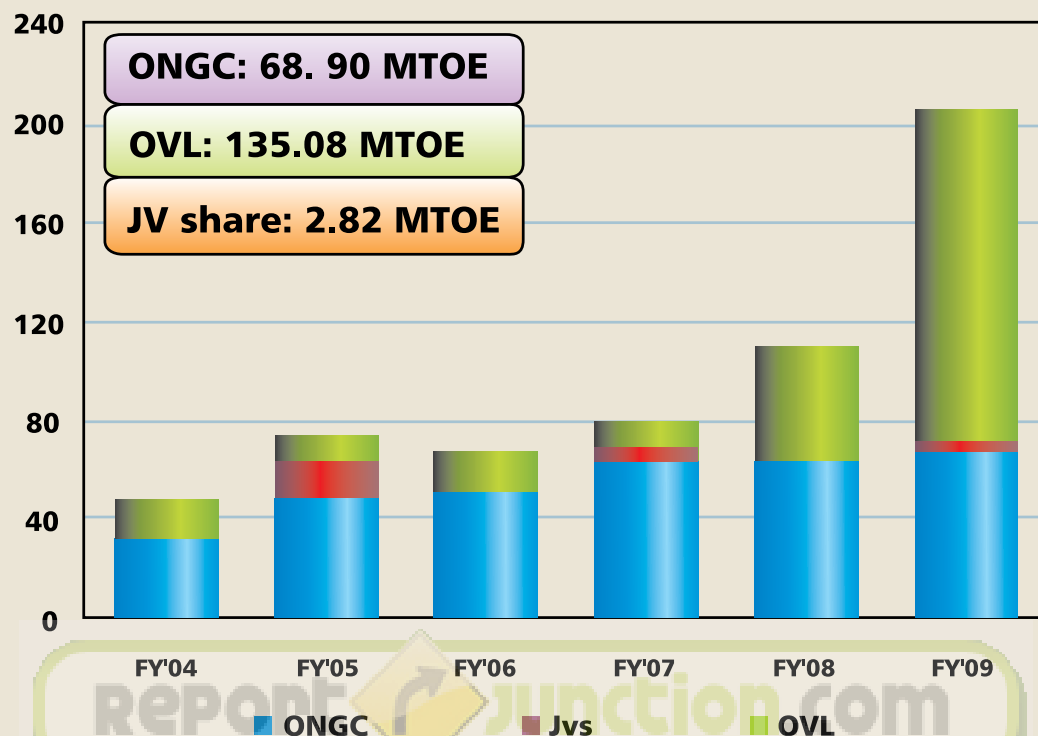
On behalf of the Board of Directors of your Company, it is my privilege to present the **16th Annual Report** and Audited Statement of Accounts for the year ended 31st March, 2009, together with the Auditors' Report and Comments on the Accounts by the Comptroller and Auditor General (C&AG) of India.

You will be pleased to know that your Company, a 'Fortune Global 500 company', has been ranked as Number One E&P (Exploration and Production) Company in the world as per the Platt's Top 250 Global Energy Company Ranking 2008.

The fiscal 2008-09 can well be termed as the year of exploration successes for your Company as it accreted 284.81 Million Metric Tonnes of Oil Equivalent (MTOE) of Initial In-place volume of hydrocarbons, the highest in last two decades and 56 % more than the previous year (182.23 MTOE), with 28 discoveries (Oil:17; Gas:11) spread across the Indian sedimentary basins. As far as Ultimate reserves (3P) is concerned, your Company, along with the group companies, accreted 206.80 MTOE of Ultimate reserves (3P) during the year; 68.90 MTOE in domestic blocks (the highest in last 18 years); 135.08 MTOE in overseas fields (the highest ever); and 2.82 MTOE (ONGC's share) in domestic fields under joint ventures.

Your Company, a Fortune Global 500 Company, has been ranked as Number One E&P (Exploration and Production) Company in the world as per the Platt's Top 250 Global Energy Company Ranking 2008.

FY' 09: Reserve Accretion (3P) = 206.80 MTOE The highest in last 18 years



Mr. Pranab Mukherjee, the then External Affairs Minister participating in the Petrotech 2009 Conference and Exhibition at New Delhi in January 2009. Also seen in the picture are Mr. Murli Deora, Minister for P&NG, Mr. Dinsha Patel, the then Minister of State, MoP&NG, Mr. R S Sharma, CMD, ONGC, Mr. S. Sundareshan, Addl. Secretary, MoP&NG, Mr. S. Behuria, Chairman, IOC and Mr. V. C. Agarwal, Director (HR), IOC



During the year, your Company, combined with its share in domestic JVs and OVLs share in overseas assets, registered 61.23 MTOE of O+OEG production; marginally (1%) lower than last year's highest ever production of 61.85 MTOE. Marginal decline in production was mainly on account of natural decline in mature domestic fields. Domestic O+OEG production, including ONGC's share in joint ventures, has been 52.45 MTOE against last year's production of 52.96 MTOE. O+OEG production from overseas assets was maintained at 8.78 MTOE against 8.80 MTOE during the last fiscal.

Your Company has been strategically investing in intensive field development; technology; production systems; and renewal & revamping of old infrastructure to sustain production levels. All these measures along with adopted reservoir management practices helped in arresting decline in the matured fields, defying the global trend.

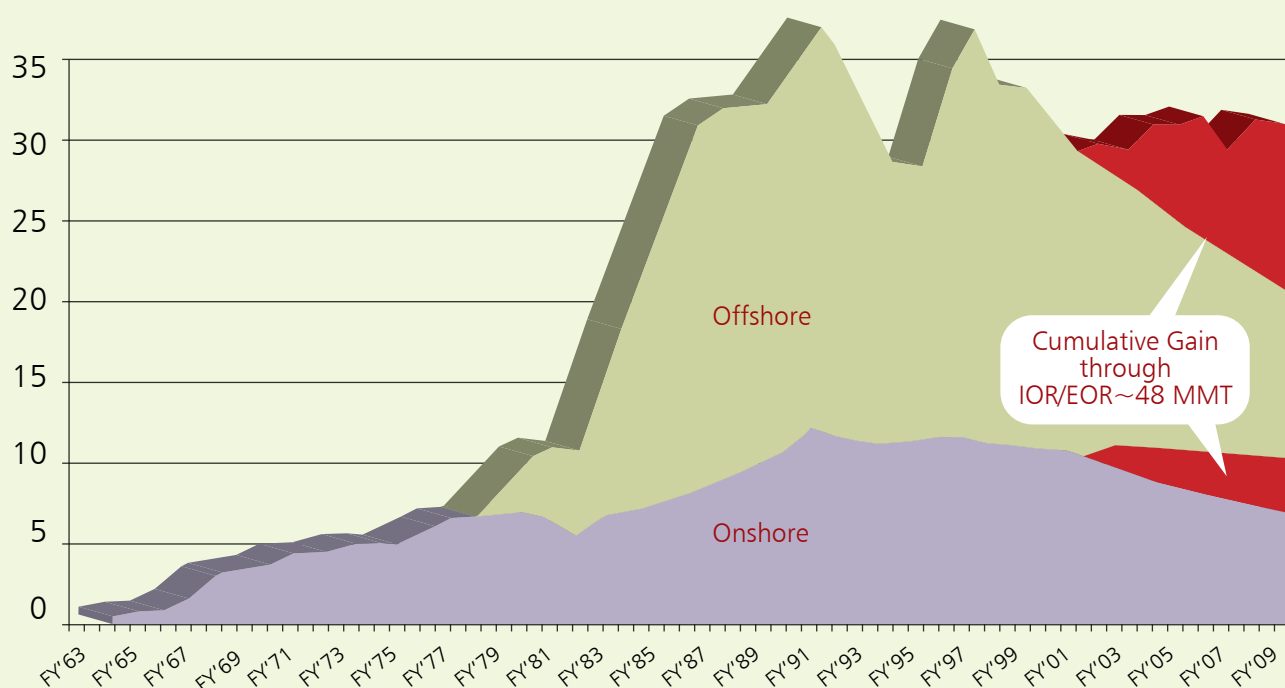
Fifteen major fields with vintage of more than 30 years have been put under Improved Oil Recovery (IOR) and Enhanced Oil Recovery (EOR) schemes, implemented since 2001, to arrest the natural decline and improving recovery factor. Fourteen IOR/EOR schemes have been completed with an investment of more than Rs.140,000 million. These IOR/EOR schemes helped in improving recovery factor from 28% (in 2000) to 33% (in 2009). Seven IOR/ EOR and redevelopment schemes are under implementation with estimated investment of more than Rs.160,000 million. Your Company has taken up second phase of Mumbai High North redevelopment with an investment of Rs.71,334 million.

Expeditious development of new hydrocarbon discoveries has always been a continuous endeavour of your Company. Out of 111 new discoveries made since fiscal 2002-03, 45 discoveries have already been put on production. Systematic efforts are on to bring balance discoveries to the stream after comprehensive appraisal.

In recent years, your Company made significant hydrocarbon discoveries in the East Coast and development of these discoveries has been conceptualised in 3 phases. Production through hub development is expected to commence during 2012-13.

Your Company, along with the group companies, accreted 206.80 MTOE of Ultimate reserves (3P) during the year; 68.90 MTOE in domestic blocks (the highest in last 18 years); 135.08 MTOE in overseas fields (the highest ever); and 2.82 MTOE (ONGC's share) in domestic fields under joint ventures.

Incremental Gain from IOR/EOR in FY'09 : 7.45 MMT



During the fiscal 2008-09, your Company brought five new and marginal fields to production. With this total 44 such fields are now on stream and these fields produced 1.62 MMT of O+OEG during the year.

Your Company holds 30% participative interest in RJ-ON-90/1 pre-NELP block operated by M/s Cairn Energy India Pty. Ltd. (CEIL). Till date 25 discoveries has been made in the block with six major discoveries i.e., Mangala, Aishwariya, Raageshwari, Saraswati, Bhagyam and Shakti. Your Company will be investing about US\$ 729 million (30% of the capital expenditure) for development of these fields. However, your Company is aggressively pursuing with the Government of India (in terms of assurances earlier given by the Govt.) for reimbursement of 70% of Royalty which it is liable to pay on behalf of the joint venture partner as per Production Sharing Contract (PSC).

You may be pleased to note that your Company bagged 19 blocks (18 as Operator) against 41 blocks awarded by the Government of India under NELP VII round of bidding. Your Company now holds (as on 30th June 2009) 82 NELP blocks (72 as Operator) besides 79 nomination blocks.

Your Company is operating in 5 CBM Blocks i.e., Jharia, Bokaro, North Karanpura and South Karanpura Blocks in Jharkhand and Raniganj Block in West Bengal. Significant new discovery has been made in CBM block BK-CBM-2001/1 in the state of Jharkhand. Pilot CBM production from its earlier discovery in Parbatpur is expected to commence this year.

Exploration and exploitation of Underground Coal Gasification (UCG) has been a continuous endeavour of your Company. Environmental clearance for the first UCG pilot site at Vatsan, Gujarat has already been obtained and its design has also been firmed up. The Pilot project is expected to commence production in the next fiscal.

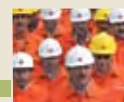
51 MW Wind farm which your Company has set up near Bhuj in Gujarat with an investment of Rs. 3,080 million has now become operational and the electricity generated is being wheeled through the Gujarat State Electricity grid for captive consumption by ONGC's centers at Ankleshwar, Ahmedabad, Mehsana and Vadodara.

ONGC Energy Centre which has been set up by your Company for holistic research for new and alternate energy sources has taken up a number of new projects like Thermo-chemical generation of hydrogen, Bioconversion of coal/oil to methane gas, Uranium exploration, Solid state lighting, Solar PV Energy Farm, etc.

Your Company is the first PSU to become a signatory to the "Caring for Climate" initiative of the UN Global Compact Framework. ONGC is the founder member of the Global Compact Society of India.



A schematic model of the upcoming "Rajiv Gandhi Urja Bhawan" – at New Delhi, the Greenest building of India



Aerial view of ONGC's offshore Jack-up Rig – Sagar Shakti

You will be delighted to know that your Company received the Gold Trophy for 'SCOPE Meritorious Award for Good Governance 2006-2007' in November 2008.

1. Financial Results

Despite volatile oil markets and crude oil prices, your Company has earned a Net Profit of Rs.161,263 million (down 3.45% from Rs. 167,016 million in 2007-08).

During the year under review, your Company registered a gross revenue of Rs. 650,494 million, (up 5.7 % from Rs. 615,426 million in 2007-08), despite sharing under recoveries of Rs. 282,252 million (Rs. 220,009 million in 2007-08), of the Public Sector Oil Marketing Companies by way of discounts in the price of Crude Oil, Domestic LPG and PDS Kerosene, on administrative instructions of the Ministry of Petroleum & Natural Gas, Government of India.

1.1 Highlights:

| | |
|---|---------------------|
| • Sales Revenue: | Rs. 639,682 million |
| • Profit after Tax (PAT): | Rs. 161,263 million |
| • Contribution to Exchequer: | Rs. 280,496 million |
| (ONGC's contribution to Central and State Government by way of Cess, Royalty, duties, taxes and Dividend on Central Government Shareholding). | |
| • Return on Capital Employed | 49.9 % |
| • Debt-Equity Ratio | 0.0003:1 |
| • Earning Per Share (Rs.) | 75.40 |
| • Book Value Per Share (Rs.) | 365 |



ONGCians at work in Group Gathering Station (GGS), Cauvery Asset

Financial Results

(Rs. in million)

| | 2008-09 | 2007-08 |
|--|---------|---------|
| Gross Revenue | 650,494 | 615,426 |
| Gross Profit | 377,331 | 351,912 |
| Less: | | |
| Interest | 1,190 | 590 |
| Exchange Variation | 3,819 | (1,070) |
| Depreciation | 14,491 | 14,060 |
| Amortisation | 67,320 | 47,580 |
| Depletion | 42,148 | 36,776 |
| Impairment | (3,110) | (437) |
| Provision/Write Offs | 11,666 | 2,067 |
| Provision for Taxation (including deferred tax liability of Rs. 4,314 million) | 78,544 | 85,330 |
| Net Profit After Tax | 161,263 | 167,016 |
| Appropriations | | |
| Interim Dividend | 38,500 | 38,500 |
| Proposed Final Dividend | 29,944 | 29,944 |
| Tax on Dividend | 11,632 | 11,632 |
| Transfer to General Reserve | 81,187 | 86,940 |
| Total | 161,263 | 167,016 |



2. Dividend:

Your Company had paid an Interim Dividend of Rs. 18 per share (180%) in December, 2008. The Board of Directors has now recommended a final dividend of **Rs.14 per share (140%) making the aggregate dividend at Rs. 32 per share (320%)**, same as previous year's Rs.32 per share (320%). The total dividend will absorb Rs. 68,444 million, besides Rs 11,632 million as tax on dividend.

3. Production & Sales

Highlights of production and sales of Crude Oil, Natural Gas and Value-added Products:

| | Unit | Production | | Sales | | Value (Rs. In million) | |
|--------------------|--------|------------|----------|---------|---------|------------------------|---------|
| | | 2008-09 | 2007-08 | 2008-09 | 2007-08 | 2008-09 | 2007-08 |
| DIRECT | | | | | | | |
| CRUDE OIL | (MMT) | * 27.13 | * 27.93 | 22.88 | 24.08 | 391,907 | 386,803 |
| NATURAL GAS | (BCM) | ** 25.43 | ** 25.12 | 20.53 | 20.43 | 75,528 | 71,780 |
| C2-C3 | 000 MT | 497 | 520 | 497 | 520 | 9,889 | 9,291 |
| LPG | 000 MT | 1026 | 1035 | 1029 | 1037 | 22,752 | 20,169 |
| NAPHTHA | 000 MT | 1553 | 1469 | 1545 | 1442 | 48,406 | 43,848 |
| SKO | 000 MT | 156 | 167 | 153 | 168 | 4,448 | 3,374 |
| OTHERS | | | | | | 1,554 | 937 |
| SUB TOTAL | | | | | | 554,484 | 536,202 |
| TRADING | | | | | | | |
| MOTOR SPIRIT | 000 KL | | | 273 | 232 | 11,062 | 9,159 |
| SKO | 000 KL | | | 441 | 308 | 12,253 | 7,401 |
| HSD | 000 KL | | | 1742 | 1539 | 61,883 | 48,608 |
| SUB TOTAL | | | | | | 85,198 | 65,168 |
| GRAND TOTAL | | | | | | 639,682 | 601,370 |

* includes 1.76 MMT (Previous year 1.99 MMT) from Joint Ventures.

** includes 2.95 BCM (Previous year 2.79 BCM) from Joint Ventures.



ONGCians at work inside control room of an offshore platform

4. Oil & Gas Reserves

ONGC has made voluntary disclosures in respect of Oil & Gas Reserves, conforming to SPE classification 1994 and US Financial Accounting Standards Board (FASB-69). ONGC, along with its group Companies, has added 206.80 MTOE of ultimate reserves of O+OEG during the year under review from its domestic and overseas assets (OVL).

| Ultimate Reserve (3P) accretion O+OEG | | | (in MTOE) | | |
|---------------------------------------|------------------------|---------------------------------------|---------------------------------------|--|----------------------|
| Year | Domestic Assets (1) | Domestic JVs (ONGC's share) (2) | Total Domestic Reserve (3)=(1)+(2) | Foreign Assets (OVL's Share) (4) | Total (5)=(3)+(4) |
| 2006-07 | 65.56 | 4.77 | 70.33 | 9.96 | 80.29 |
| 2007-08 | 63.82 | -0.34 | 63.48 | 46.73 | 110.21 |
| 2008-09 | 68.90 | 2.82 | 71.72 | 135.08 | 206.80 |

5. Statement of Reserve Recognition Accounting

1. The Concept of Reserve Recognition Accounting attempts to recognize income at the point of discovery of reserves, and seeks to demonstrate the intrinsic strength of an organization with reference to its future earning capacity in terms of current prices for income as well as expenditure. This information is based on the estimated net proved reserves (developed and undeveloped) as determined by the Reserves Estimates Committee.
2. As per FASB-69 on disclosure about Oil and Gas producing activities, publicly traded enterprises that have significant Oil and Gas producing activities are to disclose with complete set of annual financial statements, the following information, considered to be supplemental information:
 - a) Proved Oil and Gas reserve quantities
 - b) Capitalized costs relating to Oil and Gas producing activities
 - c) Cost incurred for property acquisition, exploration and development activities
 - d) Results of operations for Oil and Gas producing activities
 - e) A standardized measure of discounted future net cash flows relating to proved Oil and Gas reserve quantities.



Mr. Murli Deora, Minister for Petroleum & Natural Gas along with other dignitaries participating in the Golden Jubilee celebrations of ONGC's first well producing crude oil at Lunej#1 in Gujarat



3. Your Company has disclosed information in respect of (a) and (d) above in the Annual Financial Statements.

In respect of item (e) above, your Company has made voluntary disclosure on standardized measure of discounted future net cash flows relating to proved Oil and Gas reserves at **Annexure-A**.

6. Financial Accounting

The Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) and in compliance with all applicable Accounting Standards (AS-1 to AS-29) and Successful Efforts Method as per the Guidance Note on Accounting for Oil & Gas Producing Activities issued by The Institute of Chartered Accountants of India (ICAI) and provisions of the Companies Act, 1956.

7. Internal Control System

The Company has well established and efficient internal control system and procedures. Your Company has already implemented SAP R/3 system for integration of various business processes across the organization. The system has now been upgraded from earlier version of SAP 4.6C to ECC 6.0. The Company also has well defined financial powers of various executives in its Book of Delegated Powers. The Book of Delegated Powers (BDP) has recently been revised to bring further delegation. The Company has in-house Internal Audit Department commensurate with its size. Audit observations are periodically reviewed by the Audit & Ethics Committee of the Board and necessary directions are issued wherever required.



Onland drilling rig of ONGC Videsh Ltd., in operation at Sakhalin, Russia

8. Subsidiaries

(i) ONGC Videsh Limited (OVL)



ONGC Videsh Limited (OVL), the wholly-owned subsidiary of your Company for overseas E&P activities, registered significant performance during 2008-09. It acquired 7 E&P projects in 5 countries during the year. The company presently has participation in 40 projects in 16 countries. Among newly acquired projects, San Cristobal Project in Venezuela and Imperial Energy in Russia, are under production phase; Block BM-Seal-4 and Block BM-Bar-1 in Brazil, Block CPO-5 and Block SSJN-7 in Colombia are under exploration phase. An exploration block AD-7 in Myanmar in which OVL acquired 20% during the year was surrendered after completion of the study phase.

Out of 40 projects, OVL is operator in 17 projects and joint operator in 5 projects. OVL is currently producing oil and gas from Greater Nile Oil Project and Block 5A in Sudan, Block 06.1 in Vietnam, Al Furat Project in Syria, Sakhalin-I Project and Imperial Energy in Russia, Mansarovar Energy Project in Colombia and San Cristobal Project in Venezuela. Block BC-10 in Brazil has commenced production from 13th July 2009. Block A-1 and A-3 in Myanmar, North Ramadan Block and NEMED Project in Egypt and Farsi Offshore Block in Iran have discoveries and appraisal work is being carried out. The remaining projects are in exploration phase.

During 2008-09, OVL's share in production of oil and oil-equivalent gas (O+OEG), together with its wholly-owned subsidiaries ONGC Nile Ganga B.V., ONGC Amazon Alaknanda Limited and Imperial Energy, was 8.78 MTOE of O+OEG as against 8.80 MTOE of O+OEG during 2007-08.

OVL's consolidated gross revenue increased by 9.27%, from Rs. 169,342 million during 2007-08 to Rs. 185,035 million during 2008-09, and consolidated net profit increased by 17.09% from Rs. 23,971 million during 2007-08 to Rs.28,067 million, during 2008-09.

OVL's share in production of oil and oil-equivalent gas (O+OEG), together with its wholly-owned subsidiaries ONGC Nile Ganga B.V., ONGC Amazon Alaknanda Limited and Imperial Energy, was 8.78 MTOE of O+OEG as against 8.80 MTOE of O+OEG during 2007-08.

Direct Subsidiaries of OVL:

a) ONGC Nile Ganga B.V.(ONGBV):



ONGC Nile Ganga B.V. (ONGBV), a subsidiary of OVL, is engaged in E&P activities in Sudan, Syria, Venezuela and Brazil.

- ONGBV holds 25% Participating Interest (PI) in Greater Nile Oil Project (GNOP), Sudan with its share of oil production of about 2.443 MMT during 2008-09.
- ONGBV holds 16.66% to 18.75% PI in four Production Sharing Contracts in Al Furat Project (AFPC), Syria with its share of oil production of about 0.812 MMT during 2008-09.
- ONGBV also holds 40% PI in San Cristobal Project in Venezuela through its subsidiary company ONGC Nile Ganga (San Cristobal) B.V. with its share of oil production of about 0.671 MMT during 2008-09.
- Further ONGBV has 15% PI in BC-10 Project in Offshore Brazil which is scheduled to commence production in 2009-10.
- ONGBV is also 100% operator of exploratory blocks BM-S-73 and BM-ES-42 and holds 25% PI in exploratory blocks Block BM-SEAL-4 and Block BM-BAR-1 all located in Deepwater Offshore, Brazil.

b) ONGC Narmada Limited(ONL):



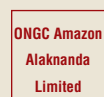
ONGC Narmada Limited (ONL), a wholly-owned subsidiary of OVL is engaged in E&P activities in Nigeria. ONL holds 13.5% PI in deep water exploration Block-2 in Nigeria-São Tomé & Príncipe, Joint Development Zone (JDZ). The Chinese NOC, Sinopec is operator with 28.67% PI.



Mr. Murli Deora, Minister of Petroleum & Natural Gas along with Mr. M. S. Srinivasan, the, then Secretary, Petroleum, Mr. R. S. Sharma, CMD, ONGC, Mr. R. S. Butola, MD, ONGC Videsh and officials from Indian Embassy at Venezuela at the signing ceremony of Joint Venture between ONGC Videsh and Petrolera Indo Venezolana, SA at Caracas, Venezuela



c) ONGC Amazon Alaknanda Limited(OAAL):



ONGC Amazon Alaknanda Limited (OAAL), a wholly-owned subsidiary of OVL incorporated in Bermuda, holds stake in E&P projects in Colombia, through Mansarovar Energy Colombia Limited (MECL), a 50:50 joint venture company with Sinopec of China. During 2008-09, OVL's share of production was about 0.370 MMT of oil.

d) Jarpeno Limited:



Jarpeno Limited, a wholly-owned subsidiary of OVL incorporated in Cyprus, acquired Imperial Energy Corporation plc., a UK listed upstream oil exploration and production entity with its main activities in Tomsk region of Western Siberia in Russia, in January 2009. During 2008-09, Jarpeno's production was about 0.076 MMT of oil.

Joint Venture of OVL

e) ONGC Mittal Energy Limited (OMEL)



ONGC-Mittal Energy Ltd.

OVL along with Mittal Investments Sarl (MIS) promoted ONGC Mittal Energy Limited (OMEL), a joint venture company incorporated in Cyprus. OVL and MIS hold 98% equity shares of OMEL in the ratio of 51(OVL): 49(MIS) with 2% shares held by SBI Capital Markets Ltd. OMEL holds 45.5% and 64.33% PI in exploration Blocks OPL 279 and OPL 285 respectively in Nigeria. OMEL also holds 45% Class-C shares in ONGBV exclusively for AFPC Syrian Assets; such investment being financed by Class-C Preference Shares issued by OMEL in the ratio of 51:49 to OVL and MIS respectively.

(ii) Mangalore Refinery & Petrochemicals Limited (MRPL)



Your Company continues to hold 71.62% equity stake in MRPL, which has achieved new heights in excellence in both financial and operational performance during the year.

Highlights

- Highest-ever Refinery crude thruput at 12.59 MMT;
- Highest-ever Turnover at Rs 427,190 million;
- Highest-ever Profit before Tax of Rs. 18,120 million;

Keeping the Project investment in view, a dividend of 12% has been recommended.

MRPL Refinery was awarded "Oil & Gas Conservation Award – 2008" for Furnace and Boiler Insulation Effectiveness and Efficiency" instituted by Centre for High Technology (CHT), Govt. of India. It has also been awarded "Energy Efficiency Unit Award" for excellence in energy management 2008 under refinery category, instituted by Confederation of Indian Industries (CII).

MRPL continues to be a major exporter of petroleum products with exports valuing Rs. 116,080 million during 2008-09 compared to Rs. 112,320 million during the previous fiscal. It continues to retain its market leader position with respect to sale of Bitumen in its refinery zone. MRPL has been awarded Best Exporter Award (Gold) – 2008, by Federation of Karnataka Chamber of Commerce and Industry (FKCCI).



Mr. U. K. Basu, MD, MRPL and Senior Executives at MRPL's annual function



Aerial view of a platform and Multi Support Vessel (MSV) in Vietnam Offshore

The joint venture of MRPL and Shell Gas B.V., Netherland "Shell MRPL Aviation Fuel and Services Private Limited" for marketing of Aviation Turbine Fuel (ATF) to both Domestic and International airlines at Indian Airports commenced its operations in August 2008 at Bengaluru Airport and is progressing satisfactorily, achieving sales volume of 35,517 kl during 2008-09. The volumes are likely to grow with commencement of operations at Hyderabad Airport recently. The company has also secured contracting commission (CONCO) business of Air India, Kingfisher and Deccan Cargo at several international Airports like Dubai, Hong Kong etc.

Direct Marketing

As on date, MRPL is only operating one retail outlet, under its HiQ brand and its second retail outlet has been recently commissioned in April, 2009.

MRPL's Phase III Refinery Project is progressing as per schedule.

9. Exemption in respect of Annual Report of Subsidiaries and Consolidated Financial Statement

In terms of approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, copies of the Balance Sheets, Profit and Loss Accounts,

Report of the Board of the Directors and Reports of the Auditors of the Subsidiary Companies have not been attached to the Accounts of the Company. The Company will make these documents/details available upon request by any member of the Company interested in obtaining the same. Annual Reports of MRPL and OVL are available on website www.mrpl.co.in and www.ongcvidesh.com respectively.

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates and with Accounting Standard AS-27 on Financial Reporting of Interests in Joint Ventures, Audited Consolidated Financial Statements for the year ended 31.03.2009 of the Company and its subsidiaries form part of the Annual Report and Accounts.

10. Joint Ventures/ Associates

(i) Petronet LNG Ltd. (PLL)



ONGC has 12.5% equity stake in PLL. PLL has started commissioning of Dahej LNG terminal to 10.0 MMTPA capacity and also commenced construction of LNG Receiving and Re-gasification Terminal of 5.0 MMTPA at Kochi. The turnover of PLL during 2008-09 is Rs. 84,287 million (previous year Rs. 65,553 million) and net profit is Rs. 5,184 million (previous year Rs. 4,747 million). PLL has declared a dividend of 17.5% (previous year 15%).

(ii) Pawan Hans Helicopters Ltd. (PHHL)



ONGC, has 21.5% equity stake in PHHL, which provides helicopter support for its offshore operations. PHHL is one of Asia's largest helicopter operators having a well balanced operational fleet of 36 helicopters. PHHL was successful in providing all the 12 Dauphin N & N3 helicopters fully compliant with AS-4 as per the new contract with ONGC. The net profit of PHHL for the year 2007-08 is Rs. 231.7 million (previous year Rs.95.2 million) and it has recommended a dividend of 10%.

(iii) Petronet MHB Ltd (PMHBL)



Petronet MHB Ltd is a JV Pipeline Company of ONGC (28.766% equity), HPCL (28.766%) and PIL (7.898%) and balance equity by banks. This JV company transports MRPL Products to hinterland of Karnataka. Maintaining its turnaround trend the company, as per unaudited results in FY 2008-09, has made a net profit of Rs. 78.1 million (Before Tax) on a throughput of 2.452 MMT against Net profit of Rs. 3.8 million with throughput of 2.14 MMT in FY 2007-08.

(iv) ONGC Tripura Power Company Ltd. (OTPC)



Your company has promoted "ONGC Tripura Power Company Ltd." with envisaged equity stake of 50% along with Govt of Tripura (0.5%) and IL&FS (26%) to set-up 726.6 MW (363.3x2) gas based



Combined Cycle Power Plant (CCPP) at Pallatana, Udaipur in Tripura to monetize its idle gas assets in Tripura state. Generation EPC contract has been awarded to BHEL for supply and commissioning of two CCGT units. Various linkages like gas supply by ONGC and power off-take by NE states have been finalized. Process of financial closure is in progress.

(v) Dahej SEZ Ltd. (DSL)



Your company with 23% equity stake along with Gujarat Industrial Development Corporation (26%) is developing a multi-product SEZ at Dahej in coastal Gujarat over 1717 hectares of land through a SPV "Dahej Special Economic Zone Ltd". SEZ has formally been approved by Ministry of Commerce & Industry and Gazette notification issued. Torrent Energy Limited (TEL) has been appointed as Co-Developer for Power generation, transmission and distribution network in Dahej SEZ. LOI awarded for infrastructure development job. About 80% of the saleable land has already been allotted to prospective unit holders and allotment of remaining land is in final stages.

(vi) ONGC Petro-additions Ltd. (OPaL)



Your company is promoting a JV company "ONGC Petro-additions Limited" (OPaL) with 26% equity stake along with GSPC (5%) and GAIL (19%) to implement a mega petrochemical complex comprising of 1.1 MMTPA Ethylene Cracker and global scale polymer units within Dahej SEZ as a step towards downstream integration. OPaL has awarded a Rs. 68,000 million (US\$ 1.43 billion) contract to a consortium of Samsung Engineering (Korea) and Linde AG (Germany) for engineering, procurement, construction & commissioning of a Naphtha and Dual-feed Ethylene cracker plant.

(vii) Mangalore Special Economic Zone Ltd (MSEZ)



Your company with 26% equity stake along with KIADB (23%) and IL&FS+KCCI (51%) is promoting another SEZ in coastal Mangalore. Ministry of Commerce & Industry has formally notified to set up a Petro-chemical Specific SEZ in 1,453 acres of land. Resettlement & Rehabilitation work of Project Displaced People is in progress over 136 acres of land. MSEZ has allotted requisite land to MRPL for refinery expansion, ONGC Mangalore Petrochemical Ltd (OMPL) for setting up the petrochemical units and ISPRIL for strategic crude reserves.

(viii) ONGC Mangalore Petrochemicals Ltd (OMPL)



Your company is also promoting another JV company "ONGC Mangalore Petrochemicals Limited" (OMPL) with 46% equity participation, along with MRPL (3%) for setting up manufacturing facilities for 0.92 MMTPA Para-Xylene and 0.14 MMTPA Benzene from MRPL's aromatic streams in Mangalore SEZ as value addition project. OMPL has engaged PMC & major technology licensors and Site infrastructure development has commenced. Exemption of duties and taxes has been obtained from Mangalore SEZ Development Commissioner.

(ix) ONGC TERI Biotech Ltd. (OTBL)



ONGC formed a Joint Venture in association with The Energy Research Institute (TERI) for addressing the requirement of Bioremediation, Microbial Enhanced Oil Recovery and prevention of wax deposition in tubulars for its E&P operations. The JV was incorporated on 26th March, 2007.



A group of school children at Vietnam donning the OVL helmet during a School event. OVL participated in a number of Corporate Social Responsibility projects in various countries it operates and won laurels from the local people

11. Other Projects / Business initiatives

(a) C2-C3 – C4 Extraction Plant;

ONGC is setting up a C2-C3-C4 Extraction Plant at Dahej using LNG from PLL as feed stock. The plant is nearing mechanical completion with Overall progress of 97.53% as on 31st March, 2009.

(b) Mémorandum of Understandings (MOUs):

1. MOU with SINTFF on 28th August 2008

For cooperation in the area of Offshore Geotechnical Engineering, Hydrate remediation and Marine Structural Engineering.

2. MoU with Petronet LNG Ltd. (PLL) on 11th Sept 2008

For jointly sourcing LNG along with setting upstream Gas liquefaction plant(s), setting up of re-gasification plant and other downstream gas ventures.

3. Agreement with Texas Engineering Experiment Station on 23rd Sept 2008

Through this agreement ONGC is joining as a member to the Joint Industry Programme (JIP) of A&M University, Texas, USA for Research Studies on Model Calibration and Efficient Reservoir Imaging (MCERI).

4. MOU with M/s Uranium Corporation of India Limited (UCIL) on 11th Nov 2008

For cooperation to pursue Uranium Resource Exploration and Development.

5. MoU with Indian Oil Corporation (IOC) on 11th December 2008

For mutual cooperation in the fields of exploration, production and marketing.

6. Heads of Agreement with SHELL Exploration Company B.V. on 31st March 2009

For co-operation in Enhanced Oil Recovery.

7. HOA with Shell India Ltd. on 31st March 2009

For technology solutions for increasing production from onshore aging oil-fields.

8. MOU with M/s Weatherford International, USA on 12th February 2009

For technology induction in field optimization for increasing production and enhancing recoveries from fields operated by ONGC.

9. MoU with Ashok Leyland Project Services Ltd (ALPS) on 5th May 2009

For sourcing of LNG on long term at a competitive price and pursuing integrated E&P and Downstream opportunities.



ONGCians at work at CTF, Cauvery Asset

12. Information Technology

Your Company became the first PSU to launch SAP powered “e-procurement” process. Adhering to the guidelines of CVC, the process will ensure standardization of the procurement process of ONGC and will ensure transparency in the tendering process. It will also speed up procurement process. Along with this, your Company has also institutionalised centralized electronic payment system for employees and the vendors. The system will reduce manual interventions thereby reducing delays in payments and improving transparency to the satisfaction of the stakeholders.

Your Company is also implementing Project SCADA (Supervisory Control And Data Acquisition) covering entire production and drilling facilities. The first phase of the project covering six assets has already been commissioned. Once implemented, production and drilling facilities can be monitored on 24x7 real-time basis.



13. Health, Safety & Environment (HSE)

HSE remains the core focus area of your Company. Almost all the work centres of your Company are certified with ISO 9001, OHSAS 18001 and ISO 14001. The work force in ONGC has systematically developed highest level of HSE practices through intensive and continuous training.

Your Company has undertaken Mangrove plantation at Gulf of Khambat in the Gandhar region for arresting coastal degradation. Your Company has also sponsored Ringal plantation in 120 hectares of forest land in Upper Himalayan region for environment protection.



Mr. A. K. Hazarika, Director (Onshore) receiving the Excellence in Environmental Sustainability Award of Business 2007-08 instituted by FICCI from Mr. Pranab Mukherjee, the then Minister for External Affairs

14. Clean Development Mechanism (CDM)

Your Company has already registered four Clean Development Mechanism (CDM) project with the United Nations Framework Convention on Climate Change (UNFCCC). In addition two more projects have been validated. Your Company has joined the global initiative on Carbon Disclosure Project (CDP) besides drawing up an elaborate programme to become carbon neutral.

15. Human Resources

You are aware that your Company has vast pool of skilled and talented professionals; the most valuable asset for the company. Your Company continued to extend several welfare benefits to its employees by way of comprehensive medical care, education, housing and social security. During the year 2008-09, your Company implemented 92 new and revised welfare policies for its employees. Fifty four employees were released under the Voluntary Retirement Scheme during the year. The Human Resource value of the employees based on "Lev and Schwartz" model is enclosed at **Annexure 'B'**.

PRESIDENTIAL DIRECTIVE

Revision of pay and allowances of Board level and below Board level executives in ONGC with effect from 01.01.2007 has been implemented as per the MoP&NG's Presidential Directive vide letter dated 24.4.2009 as per the guidelines issued by DPE in this regard (copy enclosed as per **Annexure 'C'**).

16. Welfare Trusts

Employees Contributory Provident Fund (ECPF) Trust, managing Provident Fund accounts of employees of your Company, has settled 4,873 cases of final withdrawals and 1,813 cases for non-refundable withdrawals during the year. The Trust has initiated e-payments to its members.

Post Retirement Benefit Scheme (PRBS) Trust of your Company, set up to provide financial security to superannuating employees, settled 662 cases of pensionary benefits and 309 cases of withdrawal benefits during the year.

The Composite Social Security Scheme (CSSS) formulated by your Company provides an assured ex-gratia payment in the event of unfortunate death or permanent disability of an employee in service. Families of the deceased employees get financial assistance under the scheme ranging from Rs.1.5 million to Rs 2.0 million. During the year, CSSS Trust has settled 118 cases for death/permanent total disability and 949 cases for survival benefit refund cases.

Gratuity Fund Trust, created for payment of gratuity with provisions of "Gratuity Rules", settled 868 cases during the year 2008-09.

ONGC Sahayog Trust has been created for welfare of secondary workforce or their heirs, who are in financial distress. Approximately, Rs. 5.2 million was disbursed during the year amongst 105 beneficiaries.

Your Company implemented the Employees Pension Scheme (EPS-1995) retrospectively w.e.f 16th November 1995 and remitted Rs. 207.60 million as employer's contribution during the year.

Your Company complies with the Government guidelines on reservations for SC and ST. The percentage of SC and ST employees as on 1st April 2009 was 15.82 % and 8.44 % respectively. During the year 2008-09, over Rs. 20 million was spent for welfare of the priority communities.

17. Industrial Relations

During the year, your Company faced the destabilising situation of agitation programmes by OSOA/ASTO over the issue of pay revision of Oil Sector Officers. The hardline approach by the agitators culminated into strike for 3 days from 07.01.2009 to 09.01.2009 all across oil PSUs. Operations at ONGC were also disrupted at all work centres. A total of 418,123 man hours were lost during the strike and net monetary loss incurred by the company on account of strike was approx. Rs.1,310 million.

Disciplinary Action was taken and a penalty of 'Removal from service' was imposed on 64 ASTO representatives. Subsequently based upon the appeals preferred by these executives it was decided by the Board of Directors of your Company to set aside the order of penalty in respect of all of 64 executives and to remit the case to the Disciplinary Authority with the direction to complete the necessary disciplinary action under ONGC CDA Rules. Such action under the SDA rules is in process. Except for this disruptive action by ASTO leadership, harmonious industrial relations were maintained all over the company.



Engineers at work at onshore production installation



Mr. Pankaj Advani, ONGCian and World Billiards & Snooker Champion receiving the Padmashree Award from Hon'ble President of India, Smt Pratibha Devisingh Patil

18. Grievance Management System

Your Company provides an easily accessible mechanism to the employees for redressal of their grievances, either through informal channel or through formal channel. All key executives of your Company have designated a publicized time slot thrice a week to meet public representatives for speedy redressal of their grievances.

Your Company has also approved creation of a 'single window front office' at all work-centres. An officer not below Chief Manager level is responsible for ensuring accessibility and responsiveness to public grievances.

19. Right to Information Act, 2005 (RTI ACT)

An elaborate mechanism has been set up throughout the organisation to deal with the requests received under the RTI Act, 2005. There were 24 applications pending as on 1st April 2008 and 510 applications were received during the year. Out of the above, information was provided to 438 applicants, 6 cases were transferred to other public authorities and 90 requests have been rejected. In addition, 19 appeals were filed before CIC.

20. Implementation of Official Language Policy

Your Company makes concerted effort to spread and promote Official Language. The first Hindi e-Magazine 'Sahastradhara' was launched during the year.

21. Human Resource Development

Several HRD initiatives were taken like HR Audit, Coaching & Mentoring, Business Games, Advanced & Senior Management programmes for senior officers.

During the year, ONGC Academy conducted 244 training programmes for 7,561 executives (130,252 training days). The Regional Training Institutes conducted training for 4,766 non-executives (16,594 mandays).

22. Accolades

Consistent with the trend in preceding years, your company, various operating units, and its senior management officials have been in receipt of various awards and recognitions.

The details of such awards and recognitions to your Company are placed at Annexure 'D'.

23. Sports

Around 195 sportspersons, including 122 international level performers, represent your Company in 15 different games. Your Company supported the All India Football Federation (AIFF) to revive the India-League 2008 (formerly known as National Football League).

ONGCians, World Billiard champion Pankaj Advani was conferred with Padmashri award by the President of India and athlete Ms. Chitra K Soman was conferred with Arjuna Award in recognition to their achievements in the respective fields. Arjuna Awardee Virendra Sehwal became the fastest Indian Centurion in one day internationals with a century in just 60 balls.

Your Company won the Petroleum Minister's PSPB Trophy for overall best performance in 2008-09 for the sixth year in succession.



ONGC's CSR initiative "Utthan" at Bhatpore, Surat, Gujarat

24. Women Empowerment

Women employees constituted about 6.4 % of ONGC's work force. Various programmes for empowerment and development, including programme on gender sensitisation were organised.

25. Corporate Social Responsibility (CSR)

ONGC is spearheading the United Nations Global Compact – World's biggest corporate citizenship initiative to bring Industry, UN bodies, NGOs, Civil societies and corporates on the same platform. During the year, your Company has undertaken various CSR projects at its work centres and Corporate level.

26. Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31.03.2009 and of the profit of the Company for the year ended on that date;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The Directors have prepared the annual accounts of the Company on a 'going concern' basis.

27. Corporate Governance

In terms of Clause 49 of the Listing Agreement, a report on Corporate Governance for the year ended 31.03.2009, supported



by a certificate from the Company's Auditors confirming compliance of conditions, forms part of this Report.

Your Company, acknowledging its corporate responsibility, has voluntarily obtained a 'Secretarial Audit Report' for the financial year ended 31.03.2009 from M/s A.N. Kukreja & Co., Company Secretaries in whole-time practice, which is annexed to this Report.

In line with global practices, your Company has made all information, required by investors, available on the Company's corporate website www.ongcindia.com.

28. Management Discussion and Analysis Report

In terms of Clause 49 (IV) (F) of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis Report has been included and forms part of the Annual Report of the Company.

29. Statutory Disclosures

Section 274(1)(g) of the Companies Act, 1956 is not applicable to the Government Companies. Your Directors have made necessary disclosures, as required under various provisions of the Act and Clause 49 of the Listing Agreement. Information with regard to employees as required by Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended is attached to this report.

30. Energy Conservation

The information required under Section 217(1)(e) of the Act read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, as amended is annexed as **Annexure – 'E'**.

31. Auditors

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India (C&AG). M/s PSD & Associates, M/s. Padmanabhan Ramani & Ramanujam, M/s Singhi & Co., M/s Kalyaniwalla & Mistry and M/s Arun K. Agarwal & Associates, Chartered Accountants were appointed as joint Statutory Auditors for the financial year 2008-09. The remuneration of the Statutory Auditors has been increased to Rs. 87.50 Lakh plus applicable service tax for 2008-09 for the Annual Audit assignments to be shared equally by five joint statutory auditors and actual travelling & out of pocket expenses. Further a fee of Rs.40,000/- for each Block plus applicable service tax for 2008-09 is being paid to the Statutory Auditor for certification of the accounts of Joint Venture/ NELP Block falling under the region for which they conduct the audit and actual travelling and out of pocket expenses.



Cover Green – an ONGC project for revival of coastal vegetation, where 5000 mangrove saplings have been planted along the Coast of Khambhat, Gujarat

The comments of the C&AG form part of this Report as **Annexure – 'F'**. There is no qualification in the Auditors' Report and there are no supplementary comments by C&AG under section 619(4) of the Companies Act, 1956. Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

32. Cost Audit

Pursuant to the direction of the Central Government for Audit of Cost Accounts, your Company appointed Cost Accountants, for auditing the cost accounts of your Company for the year ended 31st March, 2009.

33. Directors

During the year under report, Shri N.K. Mitra, Director (Offshore) retired on reaching the age of superannuation on 31st January, 2009. Shri Sudhir Vasudeva took over the charge of the office of Director (Offshore) on 1st February, 2009.

Smt L.M. Vas, Addl. Secy, DEA, MoF was nominated as a Government Director in place of Smt Sindhushree Khullar on 16th December, 2008.

Smt. Chanda Kochhar, Shri S.S. Rajsekar, Shri S. Balachandran and Shri Santosh Nautiyal were appointed as non-official part-time Independent Directors on the Board of ONGC on 11th November, 2008 and Ms. Anita Das was appointed as non-official part time Independent Director on 5th August, 2009

The tenure of Dr. R.K. Pachauri, Dr. Bakul H Dholakia, Shri V P Singh and Shri P K Choudhury concluded on 25th June, 2009. Upon her nomination as Managing Director of ICICI Bank Ltd., Smt Chanda Kochhar submitted her resignation from the Board of ONGC effective 24th June, 2009, which was accepted by your Board.

Your directors place on record their deep appreciation of the valuable contributions made by Dr. R K Pachauri, Dr. Bakul H Dholakia, Shri V P Singh, Shri P K Choudhury, Shri N K Mitra, Smt Sindhushree Khullar and Smt. Chanda Kochhar, during their respective tenures. Your Company is pursuing with the Government of India for appointment of Independent Directors against these vacancies.

Pursuant to the provisions of Section 255 & 256 of the Companies Act, 1956 and Clause 104(l) of Articles of Association of the Company, Dr. A.K.Balyan and Shri U N Bose retire by rotation at this AGM and being eligible offer themselves for re-appointment.

ONGC Hazira Plant - in complete harmony with nature

REPORT  JUNCTION.COM





Shri S S Rajsekar, Shri S Balachandran, Shri Santosh Nautiyal, Smt L M Vas, Ms. Anita Das and Shri Sudhir Vasudeva, Director (Offshore) who were appointed as Additional Directors after the last Annual General Meeting, hold office up to the 16th Annual General Meeting. The Company has received notices in writing from the members pursuant to the provisions of Section 257 of the Companies Act, 1956, proposing their candidature for appointment as Directors of the Company, liable to retire by rotation.

Brief resume of the Directors seeking Appointment / Re-appointment, together with the nature of their expertise in specific functional areas and names of the companies in which they hold the directorship, number of shares held and the membership/ chairmanship of committees of the Board, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are given in the notice convening the 16th Annual General Meeting of the Company, and form part of the Annual Report.

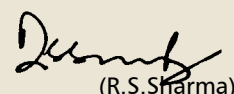
34. Acknowledgement

Your Directors are grateful for all the help, guidance and support received from the Ministry of Petroleum and Natural Gas, Ministry of Finance, the Reserve Bank of India and other agencies in Central and State Governments. Your Directors acknowledge the constructive suggestions received from Statutory Auditors and Comptroller & Auditor General of India and are grateful for their continued support and cooperation.

Your Directors thank all share-owners, business partners and members of the ONGC Family for their faith, trust and confidence reposed in ONGC.

Your Directors wish to place on record their sincere appreciation for the unstinting efforts and dedicated contributions put in by the ONGCians at all levels, to ensure that the company continues to grow and excel.

On behalf of the Board of Directors



(R.S.Sharma)

Chairman and Managing Director

Place: New Delhi
Date: 6th August, 2009

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Annexure- A | Statement of Reserve Recognition Accounting

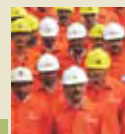
Standardised measure of Discounted Future Net Cash Flows relating to Proved Oil and Gas Reserve quantities as on 31st March, 2009.

(Rs. in million)

| Particulars | Gross Value as at | | Present value (Discounted at 10%) as at | |
|---|-----------------------------|-----------------------------|---|-----------------------------|
| | 31 st March 2009 | 31 st March 2008 | 31 st March 2009 | 31 st March 2008 |
| Revenues | | | | |
| Oil | 7,020,106.35 | 6,596,884.02 | 3,424,402.41 | 3,060,469.75 |
| Gas | 1,214,415.98 | 1,122,791.68 | 612,658.72 | 490,299.24 |
| Total Revenues | 8,234,522.33 | 7,719,675.70 | 4,037,061.13 | 3,550,768.99 |
| Costs | | | | |
| Operating, Selling & General | 3,408,278.12 | 3,096,451.55 | 1,671,945.92 | 1,422,352.50 |
| Corporate Tax | 987,826.53 | 1,030,614.89 | 478,461.15 | 474,884.82 |
| Sub Total | 4,396,104.65 | 4,127,066.44 | 2,150,407.07 | 1,897,237.32 |
| Evaluated Cost of Acquisition of Assets, Development and Abandonment | | | | |
| a) Assets | 671,575.40 | 755,244.21 | 400,951.79 | 406,247.75 |
| b) Development | 357,388.54 | 261,147.88 | 244,656.30 | 167,629.32 |
| c) Abandonment | 160,089.70 | 149,457.70 | 2,281.93 | 1,936.71 |
| Sub Total | 1,189,053.64 | 1,165,849.79 | 647,890.02 | 575,813.78 |
| Total Cost | 5,585,158.29 | 5,292,916.23 | 2,798,297.09 | 2,473,051.10 |
| Net future earnings from Proved Reserves | 2,649,364.04 | 2,426,759.47 | 1,238,764.04 | 1,077,717.89 |

Notes

- 1) The Revenues on account of crude oil and gas have been worked out on the basis of average price for the year 2008-09. The average price for crude oil is net of Subsidy Discount.
- 2) Expenditure on Development, Acquisition of capital assets, Abandonment costs and Operating Expenditure have been considered at current costs i.e as on 31.03.2009. Taxes and Levies have been considered at prevailing rates as on 31.03.2009.
- 3) The reserves have been estimated by ONGC's Reserve Estimates Committee following the standard international reservoir engineering practices.
- 4) Only Proved reserves have been considered. Probable or Possible reserves have not been considered. These reserves exclude ONGC's share of foreign JV Assets.
- 5) Both revenues and costs have been discounted to present value using 10% discounting factor. The Net future earnings, therefore, represent the net expected future cash inflows from production of recoverable reserves of crude oil and gas.
- 6) However, neither the estimated net reserves nor the related present value should be taken as a forecast of future cash flows or value of these reserves because (a) future estimated production schedules used in the valuation process are subject to change, (b) up-gradation of Probable and Possible reserves would significantly affect the gross and net present value of the expected future cash inflows, (c) future crude oil and natural gas prices are subject to change and (d) future expenditure on production (operating), development, acquisition cost of capital assets, abandonment costs and rates of taxes and levies, which may be at variance from those assumed herein.



Annexure- B | Human Resource Value

Employees as on 31st March, 2009

| Employee Group | Age Distribution | | | | Total | |
|--------------------------|------------------|-------------|--------------|--------------|--------------|--------------|
| | <31 | 31-40 | 41-50 | 51-60 | 2008-09 | 2007-08 |
| (A) Technical | | | | | | |
| Executive | 992 | 1246 | 9166 | 7706 | 19110 | 18379 |
| Non-Executive | 103 | 603 | 2022 | 724 | 3452 | 3997 |
| Total (A) | 1095 | 1849 | 11188 | 8430 | 22562 | 22376 |
| (B) Non-Technical | | | | | | |
| Executive | 182 | 445 | 1778 | 2429 | 4834 | 4638 |
| Non-Executive | 64 | 759 | 2606 | 2210 | 5639 | 5982 |
| Total (B) | 246 | 1204 | 4384 | 4639 | 10473 | 10620 |
| Grand Total (A+B) | 1341 | 3053 | 15572 | 13069 | 33035 | 32996 |

Note : Whole time Directors excluded

Valuation as on 31st March, 2009

(Rs. in million)

| Employee Group | Age Distribution | | | | Total | Value per Employee | |
|--------------------------|------------------|-----------------|------------------|-----------------|------------------|--------------------|---------|
| | <31 | 31-40 | 41-50 | 51-60 | | 2008-09 | 2007-08 |
| (A) Technical | | | | | | | |
| Executive | 24,008.8 | 27,588.8 | 143,715.9 | 63,451.8 | 258,765.3 | 13.5 | 9.7 |
| Non-Executive | 1,295.6 | 6,854.4 | 20,000.7 | 3,676.2 | 31,826.9 | 9.2 | 8.4 |
| Total (A) | 25,304.4 | 34,443.2 | 163,716.6 | 67,128.0 | 290,592.2 | 12.9 | 9.5 |
| (B) Non-Technical | | | | | | | |
| Executive | 4,211.3 | 9,435.8 | 25,459.0 | 18,175.0 | 57,281.1 | 11.8 | 8.7 |
| Non-Executive | 793.5 | 7,784.2 | 20,749.1 | 7,969.1 | 37,295.9 | 6.6 | 6.4 |
| Total (B) | 5,004.8 | 17,220.0 | 46,208.1 | 26,144.1 | 94,577.0 | 9.0 | 7.4 |
| Grand Total (A+B) | 30,309.2 | 51,663.2 | 209,924.7 | 93,272.1 | 385,169.2 | 11.7 | 8.8 |

* Valuation based on most widely used " Lev & Schwartz" model.

* Aggregate future earnings during remaining employment period of employees, discounted @ 7% p.a., provides present valuation

* Future earnings based on current emoluments with normal incremental profile.

Annexure- C | Presidential Directive

MOST IMMEDIATE

No. 31018/12/2008/ONG-III
Government of India
Ministry of Petroleum & Natural Gas

Shastri Bhawan, New Delhi.
April 24, 2009

To
The Chairman & Managing Director
ONGC Limited,
Jeevan Bharati Building, Indira Chowk,
New Delhi – 110001.

Subject: Pay Revision of Board Level and Below Board Level Executives and Non-unionised supervisors in Central Public Sector Enterprises (CPSEs) w.e.f. 01.01.2007 – in respect of ONGC Limited.

Sir,

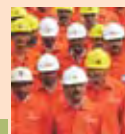
I am directed to refer to your letters No.11(19)/09-CP dated 13th April, 2009 and 20th April, 2009 on the above subject and to say that in exercise of the powers conferred by Article 109 of Articles of Association of Oil & Natural Gas Corporation Limited (ONGC), the President is pleased to direct CMD, ONGC to implement revision of pay and allowances of Board Level and below Board Level Executives in ONGC strictly as per the guidelines contained in Department of Public Enterprises (DPE) O.Ms. No. 2/70/2008-DPE (WC) dated 26.11.2008, No.2/70/2008-DPE (WC)-GL-IV/09 dated 09.02.2009 and No. 2/70/2008-DPE (WC)-GL-VII/09 dated 02.04.2009

2. Para 2(vi) of DPE's O.M. dated 02.04.2009 prescribes that there will be no change in the ten pay scales of below Board Level posts as indicated in their O.M. dated 26.11.2008. The existing pay scales, including intermediary scales may, therefore, be fitted in the revised scales accordingly. However, if there is any exceptional case regarding intermediary pay scales, a detailed proposal regarding the same may be submitted to this Ministry for taking up the matter with DPE.

3. This issue with the concurrence of AS&FA vide Dy. No.395 dated 23.04.2009

Yours faithfully

Sd/-
(R.S. Sikdar)
Under Secretary to the Government of India
Tel: 23384473



Annexure- D | Recognitions, Awards and Accreditations

1. Global Rankings/ Recognitions

- Number one E&P Company in world and 25th among leading global energy majors as per Platts Top 250 Global Energy company rankings 2008; based on assets, revenues, profits and Return on Invested Capital (ROIC) (October 2008).
- Ranked 23rd among the Global publicly-listed energy companies as per "PFC Energy 50" list (January 2009).
- Leading Indian Multinational Enterprise (MNE) as per a recent survey by the Indian School of Business, Hyderabad and the Vale Columbia Center on Sustainable International Investment (VCC) at Columbia University, New York (May 2009).
- Occupies 152nd rank in the Forbes Global 2000 list 2009 of the world's biggest companies (up 46 notches than last year's rank of 198th position) based on sales, profits, assets and market capitalization (April 2009).
- Only company from India to figure in the elite list of 40 global companies as per Return on Revenues (27th rank) and Return on Assets (30th rank) in the Fortune Global 500 list of 2009; with overall rank of 402. (July 2009)

2. Indian Rankings/ Recognitions

- Ranked 3rd in the Business World Real 500 survey list of the Indian companies on the sum of total assets and total income of a company. (October 2008)

3. Awards & Accreditations

- Secured three out of eight Petrofed Awards 2008, instituted by Petroleum Federation of India (Petrofed), for performance during 2007-08. (April 2009)
 - Leading Oil & Gas Corporate of the year
 - Exploration & Production Company of the Year
 - Project Management (above Rs. 2000 Crore) - Company of the Year for the year 2008.
- Bagged all the National Mines Safety Awards (12 awards), in Oil Mine Category, for the year 2004, 2005 & 2006. (May 2008)
- Gold Trophy for 'SCOPE Meritorious Award for Good Governance 2006-2007'. (November 2008)
- Commendation for Strong Commitment, CII-ITC Sustainability Awards-2008. (December 2008)
- Maiden Golden Peacock Award for Combating Climate Change - 2008 instituted by Institute of Directors (IOD). (May 2008)
- Enterprise Excellence Award in recognition of excellent corporate performance instituted by Indian Institution of Industrial Engineers (IIIE). (May 2008)



Mr. A. K. Hazarika, Director (Onshore), ONGC receiving the Golden Peacock Award for Combating Climate Change - 2008 instituted by Institute of Directors (IOD).



Smt Chitra Suman, ONGCian and international athlete of repute receiving the Arjuna award from Hon'ble President of India, Smt Pratibha Devisingh Patil

- Best Public Sector Award 2008 instituted by Public Relations Society of India (PRSI). (August 2008)
- Winner's trophy of the maiden "Earth Care Award for excellence in climate change mitigation and adaptation" under the category of "GHG mitigation in the small/ medium and large enterprises" instituted by Times of India and JSW foundation to recognize local and relevant actions to tackle climate change. (April 2008)
- Awarded the first Dalal Street Investment Journal (DSIJ) PSU Awards 2009 for the category Highest Profit making Enterprise for the FY 2007-08. (March 2009)
- SAP- Awards for Customer Excellence (ACE) for the year 2008 in the category 'Extended Supply Chain (SRM)' for implementation of reverse auction process on the SAP-SRM platform; the first PSU to successfully implement the process. (September 2008)
- Award for Excellence in Environmental Sustainability of Business 2007-08, instituted by The Federation of Indian Chambers of Commerce and Industry (FICCI). (February 2009)
- Amity Corporate Excellence Award for Dominant Leadership & Global Presence instituted by the Amity International Business School, NOIDA. (February 2009)

4. Awards to Business units

Assam Asset

- Greentech Safety Silver Award-2008 for two of the Surface installations of Assam; CTF-Lakwa and GCP-Rudrasagar (RDS). (April 2008)

Cauvery Asset

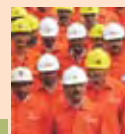
- Greentech Safety Silver Award-2008 (April 2008)
- Corporate Social Responsibility Award instituted by the Tamil Nadu Government. (March 2009)

Tripura Asset

- Greentech Safety Silver Award-2008 (September 2008)
- Fire Services, Tripura Asset received ISO: 9001:2001 certification for Quality Management System (QMS) (September 2008)



Smt Shiela Dikshit, Hon'ble Chief Minister of Delhi presenting the first Dalal Street Investment Journal (DSIJ) PSU Awards 2009 for the category Highest Profit making Enterprise to Mr. R S Sharma, CMD, ONGC



Rajahmundry Asset

- Greentech Safety Silver Award-2008 (September 2008)

Ahmedabad Asset

- Greentech Safety Silver Award-2008 (September 2008)

Hazira Plant

- Greentech Safety Gold Award-2008 for the record sixth time. (September 2008)
- Greentech Environment Excellence Award 2008. (September 2008)
- 'National Award 2008' from National Institute of Total Productive Management (November 2008)

Uran Plant

- First installation in India to be awarded Level – 7 certification under ISRS 7th edition. (February 2009)

Institute of Drilling Technology (IDT)

- Golden Peacock Eco-innovation Award 2008 for development of 'Eco-friendly Defoamer'. (January 2009)

5. Awards to the individuals

- Dr. A K Balyan, Director (HR) took over as the National President of National Institute of Personnel Management (NIPM) for the second term. (September 2008)
- Shri D K Pande, Director (Exploration) became the first Indian to be elected as the Vice President of the Youth and Gender Engagement Plan of the World Petroleum Congress (WPC). (July 2008)
- Shri N.K. Mitra, former Director (Offshore) was conferred with Society of Petroleum Engineers Award for Distinguished Member by President SPE International, USA. (September 2008)
- Shri D.K. Sarraf, Director (F), has been bestowed with the Best CFO award in the oil and gas sector instituted by CNBC-TV18. (March 2009)
- Shri D.K. Pande, Director (Exploration), has been re-elected as a Director on the Board of Energistics. Energistics is a leading global provider of information and business standards for upstream oil and gas industry. (March 2009)



Panoramic view of an Offshore Platform in the Western Offshore

Annexure- E

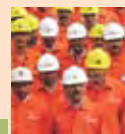
A. ENERGY CONSERVATION

1. Energy Conservation measures taken

- ONGC conducts Energy Audits of its oil installations every year.
- B-173A fluid diversion to dedicated separator, GDU flash drum gas diversion & Gas Lift recycling was completed on 30-11-2008 at a cost of Rs. 2.6 Crore helping in reduction flaring at Neelam by about 25000M³/day.
- MINAS Plant at Uran is running on Gravity flow through 18" line thereby stopping All dewatering pumps of Surge Pond as a result there is a minimum power saving of Rs. 20 Lakh per annum.
- In Hazira plant, one Stage Blanking i.e. reduction of one Impeller in one Lean Amine Charge Pump of GSU-I was carried out. The Technical Intervention has reduced the Operating Cost of Pump without compromising process requirement. The project has been included in the CDM Project Phase – II and process for its registration is on.
- In Hazira Plant, The Zero Gas Flaring project was registered by United Nations Framework Convention for Climate Change (UNFCCC) as CDM project on 16th May 2008.
- Creating energy conservation awareness and efficient use of energy by celebrating OGCF-09 at all the locations of ONGC and carried out different activities like cycle rally, LPG Quiz programme, quiz, drawing, slogan, essay competition, Drivers awareness programmes, workshop on energy conservation, exhibition, free pollution check up, street play etc.
- Created awareness as part of energy conservation by providing training on Energy conservation techniques to 12389 employees of ONGC at Delhi, Dehradun, Agartalla, Rajahmundry, Chennai, Karaikal, Bokaro, Kolkatta, Uran, Ahmedabad, Ankleshwar, Mehsana, Jodhpur, Sibsagar/ Nazira. It is expected that by imparting this training they can bring down the energy bills by 20%
- New energy efficient light sources like CFL, sodium lights, T-5 Tube lights etc are fitted in place of inefficient lights at Dehradun & in Assets.
- The employees & their families are educated on "Energy Conservation techniques" under the campaign of "URJA UDAI"
- Bi-Fuel kit installed in Generators in CBM Bokaro to save diesel.
- VFDs are installed at desalter plant, Ahmedabad to save the electrical energy.
- Energy in-efficient Engines D-399 & D-398 on different drilling rigs are replaced by energy efficient 3512 B Cat Engine 38 Nos & K-50 Cummins Diesel engines 31 Nos.



Sagar Samrat, India's first Jack-up Rig in operation



In addition, the following measures have also been taken:

a. Reduction of Gas Flaring

Gas flaring in Onshore Assets has gradually been reduced from 555 MMSCM in 2001-02 to 88 MMSCM in 2008-09 by taking various measures like creating necessary infrastructure i.e. pipelines, compressors etc. direct marketing of isolated low volume and low pressure gas and adopting innovative measures as GTW (Gas to Wire). Considering 2001-02 as the base year, these measures have resulted in meaningful utilization 467 MMSCM of gas in 2008-09 alone. In monetary terms this amounts to Rs. 149.44 Crore.

b. Clean Development Mechanism

A large scale CDM project titled "Flare Gas Recovery Project at Hazira Plant" was registered by the United Nations Framework Convention on Climate Change (UNFCCC). The project is estimated to earn 8,793 Certified Emission Reduction (CER) annually. With this, ONGC has four registered CDM projects in its kitty with expected annual CERs of 119, 655.

Two more CDM projects, viz 51 MW wind power project at Gujarat and Energy Efficiency in amine circulation pump at Hazira have been successfully validated during the year. The total expected CERs from these two projects will be around 91000 per annum. Two other projects are under development.

c. GHG Accounting

ONGC has pioneered in the field of GHG accounting. This is the first step towards carbon foot printing and full fledged carbon disclosure system and the first step for attaining carbon neutrality. GHG accounting will also help ONGC in benchmarking its operations leading to energy efficiency and help develop new CDM projects. As per the plan, consultant has been engaged in 2008-09 to undertake GHG accounting for nine pilot facilities.

2. Energy Conservation measures taken earlier which are contributing to Energy saving

Your company's proactive steps in energy conservation measures are paying off. Waste heat recovery systems, turbo-expanders, natural gas geysers are successfully running at various installations. Reduced loss of thermal energy through sustained maintenance of steam traps and inter-fuel substitutions are paying off.

3 Impact of Measures on reduction of energy consumption and consequent impact on the cost of production of the goods.

Above measures taken by your company have resulted in reduction of significant quantity of fuel consumption (HSD, Natural gas and electricity) valuing about Rs 166.63 Crore during the financial year 08-09.

B. RESEARCH AND DEVELOPMENT

1. Patents

a. Patent has been filed for "Composition and method for dissolution of Strontium Sulphate scales"(No. 1752/MUM/2008 dated 19th Aug 2008), by IOGPT.

b. A Process for treatment of oily effluent produced by petroleum oil industries (under Patent no. 209854, 7 Sep 2007) is being commercialized with its possible applications in KOC's fields.



ONGCians at work in an Offshore control room



Aerial view of Ultra Deepwater rig operating in Kerala deepwaters at a water depth of 2135 m. The first ultra deep water Well KK4C-A (target depth 6525 m) was spudded in August 2009.

2. Specific areas in which R&D was carried out

ONGC along with TERI has been carrying out R&D in the field of Microbial Enhanced Oil Recovery (MEOR), Paraffin Degrading Bacteria (PDB) and Flow Assurance for the last 3-4 years. Field trials on pilot scale were conducted.

3. Benefit derived as a result of the above R&D

MEOR has been successfully applied to enhance oil recovery from depleted oil wells of Kalol, Limbodra, North Kadi, Sobhasan, Padra and Kosamba.

PDB jobs have been carried out in various wells in Mehsana. This has resulted in reduction of scraping frequency. Scraping frequency has come down from twice a week to once in 3 months in some of the wells thereby reducing the operational cost and improving the productivity of the well.

Flow Assurance jobs are carried out in feeder and flow lines to reduce back pressure at the well head.

4. Future Plan of Action

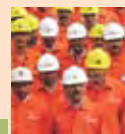
ONGC has formed a joint venture with TERI called 'ONGC TERI Biotech Ltd. (OTBL)' incorporated on 26th March, 2007. Director (Onshore) has been nominated as the Chairman of this company. The company will address the requirement of Bioremediation, Microbial Enhance Oil Recovery and prevention of wax deposition in tubular during E&P operations.

Some of the jobs undertaken by OTBL are as under:

- Contract was signed in November '08 between Mehsana Asset and OTBL for carrying out PDB jobs in 50 wells. As on 01.04.2009, the job has been carried out in 19 wells under the contract. PDB jobs have significantly reduced need of scraping, HOC etc. and the wells are flowing without interruption.
- Ahmedabad Asset has signed a contract with OTBL to do MEOR job in 50 wells along with WDP job for 80 KM flow lines.
- In addition to this OTBL has been the first company to successfully show case the effectiveness of Oilzapper technology in cleaning oil spills in Kuwait. The company is hopeful of bagging a big contract in Kuwait and this will open up business opportunities for many other upstream and downstream activities in the Middle East.

5. Technology Absorption and Adaptation

- Long Term Technical Services by M/s Midland Valley Exploration (MVE), U.K. for Structural Modeling for carrying out projects of various sedimentary basins of India in three years period.
- IES Basin Modeling Technology for the advanced 3D Petroleum System modeling technology, with help of the PetroMod software system.



- Amplified Geochemical Imaging (AGI) by M/s GORE Associates, USA for Amplified Geochemical Imaging (AGI). It has carried out in Canyon Play area of Cauvery Basin and Patan area of Cambay Basin
- STAR Structural Analogues for Reservoirs, U.K. It integrates physical analogue modeling results with field examples and case studies of classical structural set ups and to create digital atlas of structural analogues and tool boxes along with 3D visualization.
- State of art automatic fission track dating system in Geochronology and fission track division from M/s Autoscan Pty. Ltd., Australia on PAC basis has been successfully installed and commissioned.
- ProbE-Global E&P database from Petroconsultant S.A. Switzerland.
- Magnetotelluric System (MT) a tool for investigation of subsurface using natural electromagnetic radiation.
- DAKS a Corporate License "digital Analog Knowledge System" software from C&C Reservoirs, USA had been procured and installed successfully at different work centers of ONGC.
- An associate Membership of EGI University of Utah, USA, so as to have access to all the G&G information/ data from EGI Global Data Base and also services from EGII.
- Fluorescence Microscope with Image Analysis System for organic petrography of sedimentary organic matter and for geochemical evaluation of petroleum source rocks
- Automated Keroheatron System for environmental-friendly and hazardous-free extraction of pure kerogen that helps in qualitative and quantitative evaluation of oil and gas potential in petroliferous basins.
- Linux based PC Cluster 3D Basin Modeling Workstation to port and run IES Petromod 3D software to understand and evaluation of petroleum systems.
- Ion-chromatograph (Dionex-ICS 3000) to analyse cations, Cr 3+, Cr6+, Fe2+, Fe3+, fatty acids, iodide, sulphide and cyanide and other anions etc. in formation/ effluent/ surface water samples.
- Total Sulphur and Nitrogen Analyser (Multi EA-3100) for analysing total nitrogen & sulphur content in the crude oils, sediments and gases.



Contract signing ceremony between ONGC and Caterpillar for replacement of 185 Caterpillar Engines on onshore Drilling rigs of ONGC in the presence of Mr. U. N. Bose, Director (T&FS), ONGC at New Delhi

- GC-MS-MS with pyrolyzer: Installed advanced GC-MS-MS with pyrolyzer which enabled the GC-MS-MS analysis directly on sediment samples for detailed geochemical characterization.

- A new technique, wet sieving method for offshore sample preparation: The wet sieving method of sediment sample preparation for gas desorption studies in Offshore areas was applied during the Surface Geochemical Exploration (SGE) of NELP-IV block of Mahanadi, Andaman & Kutch-Saurashtra offshore basin.

- Precision type of AC System introduced at PC Cluster System of GEOPIC for accurate control of Ambient condition (Temp. & Humidity).

- PETREL, Schlumberger's propriety software, was successfully used for fracture prediction in Madanam Horst area of Cauvery Basin.

- Thrustline software for Imaging in thrust fold areas and complex geology terrain M/s GEOTOMO, USA

- FASTVEL Software for Automatic RMO analysis and Picking from M/s Paradigm, Australia

- Petromod Basin modeling software (corporate licensing) from M/s IES, Germany.

- Kingdom Suit of software under corporate licensing (Purchased by WOB, Mumbai) from M/s SMT, USA

- DrillWorks Predict software for Pore Pressure Prediction from M/s Knowledge Systems, UK

- Geoquest Geoframe software for G&G interpretation from M/s Schlumberger – Geoquest

- PAN System & PANMESH softwares for Well testing from M/s EPS, UK

- Earthcube to Geoprobe conversion software for G & G 3D visualization from M/s Halliburton, USA.

- Low Frequency Acoustic Passive Seismic DHI (IPDS): This is the technology for direct detection of hydrocarbons using low frequency acoustic waves.

- Passive Seismic Tomography: PST would provide a detailed 3-D seismic velocity and Poisson ratio model of upper few km of the crust. Careful interpretation can transfer the velocity model into a complete 3D subsurface image.

- Data Processing - PC Cluster technology Hardware and Software: From 2008-09 all the processing centers are using PC Cluster system for processing their projects. Induction of PC cluster has enhanced the computing facility of all processing centers

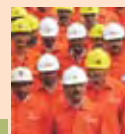
- Corporate Licensing: Nodal agency GEOPIC/ CGS: Corporate Licensing of Interpretation software from M/s Hampson Russel has been implemented across ONGC. Geoframe of Schlumberger, Pan Matsh and Thrust line of GEOTOMO has been added under corporate licensing during 2008-09.

- Q Marine – Proprietary technology of M/s Western Geco International for high resolution and improved reservoir characterization and monitoring, deployed through two vessels in 06-07 and through three vessels in 2007-08. This was continued during 08-09 also and data was acquired through three vessels.

- Multi-Component Seismic Survey - 3D – 3C Multi component seismic API technology inducted through departmental crew in A&AA Basin during 2007-08. Now, six of the new data acquisition systems have been procured along with digital multi-component sensors, which are be capable of carrying out multi-component survey. 3D-3C seismic data survey is being carried out in Laplingaon area of A&AA Basin, Jorhat. The data is being acquired and processed in consultation with Dr. Garota



Safety drill with usage of puggy net in progress



- **Virtual Drilling:** MaxEx Virtual Drilling technology is a new technique of generating logs in onshore areas, which provides information on thickness, permeability and porosity of a prospect without drilling a well, through recording of reflected natural EM waves at surface and converting them to logs, by proprietary software.
- **VSP Units** – Four numbers of State-of-the-art multi component digital VSP equipment with multi-level tool have been inducted in Chennai, Baroda and Jorhat.
- **New Data Acquisition System** - 14 new state-of-art data acquisition system with 24 bit delta sigma technology has been procured. These systems will be capable of mixed mode (Analog/ digital/ geophone/ hydrophone) operation with high channel count to facilitate seismic data acquisition in logistically difficult areas as well as in geologically complex areas with smaller bin size.
- **PERISCOPE:** It is Logging While Drilling (LWD) Resistivity imaging measurement used for precision placement of drain holes relative to reservoir boundaries, water detection and avoidance and refining reservoir models thereby maximising production.
- **Well Shuttle Service: New Technology** - "Well Shuttle Service" to ensure log data acquisition under tough and challenging well conditions by M/s Weatherford was introduced for the first time in ONGC. The main benefit of this services is data assurance in hostile environment and saving of valuable rig time in log data acquisition either by wireline or by TLC which some times is time consuming / unsuccessful due to severe / hostile bore hole conditions.
- **Formation Pressure While Drilling (FPWD):** Formation Pressure While Drilling (FPWD) is a service introduced for real time formation pressure measurements in holes regardless of rugose / rough hole conditions. This also has applications in horizontal / high angle deviated wells where recording of pressure measurements with normal tools (RFT/ MDT/ RCI etc) are very difficult. It has applications in drilling optimization to minimise cost and risk, well placement and formation evaluation.
- **Formation Pressure Expresses (XPT):** "Formation Pressure Express (XPT)" is used to quickly obtain reliable formation pressure measurements in low permeability low porosity reservoirs.
- **First Level-3 completion** was achieved in the HZ-7 well in Neelam-Heera Asset in Mukta/ Bassein (SS) and Panna pay (LS).
- **First Segmented Completion** carried out in the wells NLM-9-10ZH, in Neelam-Heera Asset. Horizontal well of 400m drilled and completed by segmentation.
- **Special seismic image processing** of 3D seismic data of Bassein field using SVIPro software of M/S FFA, UK has been carried out to identify the karst bodies around the BE, BF, BA and VW platforms and development locations were re-adjusted to minimize the drilling complications.
- **Hollow Glass Spheres (HGS)** technology has been implemented successfully for field trial for drilling drain holes in wells IP-11H & IP-10H on IP Platform of Mumbai High South field in Mumbai High Asset to minimize the formation damage and prevent mud loss.

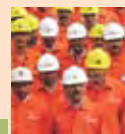


A production engineer taking measurement in an Offshore Control Room, inside a production platform in High Seas



Drilling Engineers working in extreme conditions

- Tractor conveyance system was used in horizontal well VSEA – 3H to record USIT – CBL – VDL – GR log in 7" liner to evaluate cement bondage with casing and formation.
- Synthetic Oil-base Mud and RSS has been introduced in 2 wells (#P1 & P6) of D1 platform and 4 wells (#2H, 7H, 9 &11) of VSEA platform in BS Asset where wells with high angle long 17 ½" section are planned for drilling.
- For the first time in Mehsana Asset, Infrared type Hydrocarbon Gas Detection System installed for new GCP at Sobhasan.
- Ahmedabad Asset has signed a contract with TERI to do PDB job in 50 wells
- "Interactive Interpretation Work Station" was installed and commissioning of all Hardware completed on 30-09-08 in Ankleshwar Asset. Training on System administration and Users' training on all software modules under Category-I completed.
- To accelerate the production from the tight reservoir and to maximize recovery Hydro-fracturing jobs in five wells in Gandhar Field [G-326 (GS-3A), G-500 (GS-12), G-515 (GS-12A), G-539 (GS-11), & G-572 (GS-4)] of Ankleshwar Asset were carried out in association with M/s Schlumberger. In addition to this hydro-fracturing job in 2 wells (G-567 & G-555) was done with inhouse efforts.
- Assam Asset and M/s Balmer Laurie & Co. Ltd., Kolkatta entered into a contract for comprehensive job of mechanized tank sludge processing with patented BLABO process, cleaning, NDT inspection, repair and revamping of all 18 no.s of 5000m³ tank of Central Tank Farms (CTF) at Lakwa, Moran and Geleki. 5000 m³ oil sludge processed, and processing of additional 5000 m³ oil sludge and recovery of hydrocarbon from sludge pits in progress.
- First time in Assam Asset radioactive chemicals (Tracer survey) have been injected in 3 water injector wells for water injection surveillance job in Geleki Field.
- High Volume Lift (HVL) has been installed in LK-202, and it is to be installed in 4 more wells to test the concept of HVL.
- Lowered sand screen for the first time in the asset with ingenious connection along with ERD packer to prevent sand up of wells in Rudrasagar field of Assam Asset.
- In an endeavor to upgrade reservoir data acquisition technology, 5 Electronic Memory Gauges (2 from M/s Leutert GMBH,



Germany + 3 from M/s Kuster Company, USA) were commissioned for conducting reservoir field operations and carrying out pressure transient Analysis with higher degree of accuracy and precision in the gas fields of Tripura during the year.

6. Collaborative projects with Foreign Institutes/Domain Experts/MOU.

Structural Modelling Projects by M/s Midland valley Exploration

M/s MVE has been issued LOI to carry out "Long term consultancy services for three years on structural modeling". The scope of work involves three year consultancy services that include training and project work in the latest version of M/S MVE software to a team of twenty executives from Basins & Institutes, in order to create domain experts in structural modeling. Besides technology transfer nine projects will be carried out along with a team of ONGC geoscientists in order to impart with the knowledge of best practices in structural modeling.

Study of subsurface samples of Krishna-Godavari Basins with Prof. Dr. Gerta Keller, Princeton University, Princeton, USA

As a joint collaborative project between KDMIPE Dehradun and RGL, Chennai, in association with Prof. Dr. Gerta Keller, Princeton University, Princeton, USA is under way. This study will lead to high resolution dating and intra-basinal correlation of subsurface sections across K/T Boundary in KG Basin leading ultimately to better understanding of geological history and possible causes of mass extinctions.

Interpretation of G&G Data of Mahanadi Basin in collaboration with Mr. C.D. Johnston an Independent seismic interpreter & Integrator from Alberta, Canada.

Interpretation and integration of all seismic and other available G&G data of Mahanadi Basin covering approx.60,000 sq. km. so as to bring out Paleogeography, defined Petroleum System and also to identify prospective areas.

Interpretation of G&G data in collaboration with Dr. Ben Law

For the purpose of viewing and evaluating the potential of basin-centered gas accumulations and shale gas in the onshore and offshore basins of India . Mr. Anthony Beckett was engaged as an expert for drilling of High pressure, High Temperature wells in offshore areas.

RENEWABLE ENERGY DEVELOPMENTS:

ONGC 50 MW Wind Power Project at Bhuj in Gujarat

50 MW Wind Farm Project at Motisindoli site, Village Jakhau, Distt. Kutch of Gujarat is an initiative of ONGC towards its commitment for Environment friendly and pollution free energy production through Renewable Sources using 1.5 MW machines installed at 78 meters high towers.. The technology used is near maintenance free & thus the effectiveness of the project is sustainable & continuous. ONGC shall be saving an amount of Rs. 30 Crores approx. per year on electricity charges in Gujarat, considering the present purchase price of electricity. In addition to above 80% depreciation in capital cost in first year & tax



ONGC foray into renewable energy – A 50 MW Wind Power plant in operation at Kutch Region in Gujarat

holiday for 10 consecutive years during any first 15 years on the revenue earned is the added attraction. In future, when cost of power is bound to increase ONGC's profits through this project will increase proportionately.

Solar Energy Projects

- (a) 12800 LPD Solar Water Heating System installed/ added in present system at ONGC Colony & Officers club at Dehradun
- (b) Solar lights are installed at GCS Gamnewala (Rajasthan Forward Base)

6. Information Regarding Imported Technology:

Information Regarding Imported Technology (Imported during the last five years from the beginning of the Financial Year)

| S.No. | Technology Imported | Year of Import |
|-------|--|----------------|
| (ii) | <ul style="list-style-type: none"> • "StrataBug" software for Bio-stratigraphy. • Log data processing software - GEOFRAME containing ELAN PLUS, dip-meter, image processing and interpretation package along with hardware. • State of Art digital micro gravimeter, Proton Precession magnetometer together with DGPS, Total station and Auto level for topographical survey to meet the requirements of precision GM survey. • ISO Prime GC-IRMS • Sun servers and work-stations for EPINET (Exploration & Production Information Network) • Suit of 2D/3D Move Software of Mid land valley • Three Numbers PC based software from Geographix. • Geosec2D Paradigm software installed in F15K server • Configured five sun blade 150 systems with PCI cards and installed windows XP so as to work both as workstation and PC. • IBM P690(8CPU) Petrobank server upgraded to 32 CPU for supplementing seismic data processing • 3 No's of Mobile Processing Units (MPU) for reducing API cycle time. • PC based Seismic Interpretation system with matching hardware and software. • High temperature anaerobic bio-reactor. • Microscope with image analyser. • Refrigerated centrifuge. • Incubated shaker. • High temperature incubator. • High precision metering pump. • End Face grinder. | 2005-06 |
| (iii) | <ul style="list-style-type: none"> • Data Station (DASTA – 720) • GV Isoprime Continuous Flow Isotope Ratio Mass Spectrometry (CF-IRMS) • Varian CP3800 Natural Gas Analyzer • GC-MS-MS(Varian) • Latest releases of Landmark / Hampson Russell / Jason / GeoQuest Interpretation Software installed as part of regular M&S. • Geo-Vision Centre (Virtual Reality Centre) with SGI Onyx 3900 Server (16 CPU, 64 GB RAM) installed for 3 Pipe, Curved screen, immersive volume visualization using the software from M/s Paradigm. • Petrel Suite of Software along with Interactive Petrophysics from M/s GeoQuest Systems Installed. • Latest release of Solaris Operating System version 10 installed and configured for future migration of Landmark Application Software. • Netvault Backup Software for Lanfree / SAN backup installed. • ZFS (Zeta Byte file system) was created on one SUN machine with Solaris 10 for performance evaluation with respect to existing UFS file system. • Biglron Foundry Gigabit Ethernet switch upgraded to 120 gigabit fiber ports along with redundant power module to provide seamless gigabit network connectivity to all servers and clients throughout GEOPIC. • EPOS3SE upgraded to RFC (Rock & Fluid Canvas) • Q – Marine. • Sea bed logging. • GX Technology. • Digital Multilevel Vertical seismic profiling (VSP). • Air borne Electromagnetic Survey. • Multi Transient Electro Magnetic (MTEM) technique. • Virtual Drilling Technology. | 2006-07 |



| | | |
|------|--|----------------|
| (iv) | <ul style="list-style-type: none"> • Rapid Solvent Extraction Unit (Soxtherm System). • Petrobank Master Data Store (MDS), from M/S Halliburton Offshore Services Inc.-a multi-client solution for the management of E&P technical data. • 64 CPUs SGI ALTIX machine. • 48 node IBM PC Cluster system with dual CPU per node equipped with Geocluster4.1 application software of M/S CCG. • 272 node IBM PC Cluster system with dual CPU per node equipped with OMEGA application software of M/S Western Geco • Corporate Licensing of Interpretation software from M/s Hampson Russel, M/s Landmark, M/s Geoquest and M/s Paradigm. • CCG Geocluster application software for processing. • WGC Omega: application software for processing. • StatMod MC and EarthMod FT modules added to Fugro-Jason's MyBench software suite. • LWD / Geosteering with Laterolog tool. • Compact combo LWD tool. • FPWD- Formation Pressure While Drilling tool. • "Air Injection Laboratory" for identifying candidate reservoirs for air injection as a part of EOR efforts. • Cluster Computing capabilities have been established, which will reduce significant run-time of various G&G applications and reservoir simulation processes. • Four licenses for G&G modules (OpenWorks-2, SeisWorks-1 and StratWorks-1 of M/s Landmark Graphic Corporation). • Three licenses for Reservoir Simulation (Model Builder-3 of M/s Computer Modeling Group Limited). • PC Cluster technology, both Hardware and Software, for seismic data processing. • 3D – 3C Multi-Component Seismic Survey. • Four numbers of State-of-the-art multi component digital VSP equipment. • 14 new state-of-art data acquisition system with 24 bit delta sigma technology. | 2007-08 |
| (v) | <ul style="list-style-type: none"> • Latest releases of Landmark/Hampson Russell/Jason/GeoQuest/Paradigm/Midland Valley / GOCAD Interpretation Software installed as part of regular M&S. • Corporate licensing of existing Petral and Geoframe suit of interpretation software from M/s Schlumberger • Induction of Basin modeling software "Petromod" from M/s IES Germany and pore pressure prediction software "Drill works Predict" from M/S Knowledge systems • Thrustline software for imaging in thrust fold areas and complex geology terrain from M/s GEOTOMO. • FASTVEL software for automatic residual move out application from M/s PARADIGM. • Procured two nos. of Precision Air Conditioner (18 TR & 9 TR) of Emersion make from OES M/S WIPRO Ltd. • 125 TB and 50 TB of SATA based Storage System is being provided for PC Cluster of OMEGA and CCG Applications Software. • Procured 100 Nos of 3592 magnetic media. • Up gradation of Processing LAN from 100 Mbps to Gigabit LAN. • State of the art LTO-4 Tape Library has been procured and commissioned. • High end Workstations (22 Nos) inducted for interpretation and Processing. • Long Term Technical Services by M/s Midland Valley Exploration (MVE), U.K. for Structural Modeling • IES Basin Modeling Technology • STAR Structural Analogues for Reservoirs, U.K • State of art automatic fission track dating system in Geochronology and fission track division. • ProbE-Global E&P database from Petroconsultant S.A. • Magnetotelluric System (MT) • Integrated PVT Package from M/s Chandler Engineering, Houston, USA. | 2008-09 |
| B | Has the technology been fully absorbed? | Yes |
| C | If not fully absorbed, areas where this has not taken place, reasons thereof, and future plans of action | Not applicable |

7. Expenditure on Research & Development

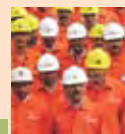
| | (Rs. million) | |
|---|-----------------|-----------------|
| | 2008-09 | 2007-08 |
| Capital | 500.60 | 93.42 |
| Recurring | 1,574.44 | 1,753.32 |
| Total | 2,075.04 | 1,846.74 |
| Total R&D Expenditure as a percentage of Total Turnover | 0.32% | 0.30% |

8. Information on Foreign Exchange Earnings and Outgo

| | (Rs. million) | |
|---------------------------|---------------|-----------|
| | 2008-09 | 2007-08 |
| Foreign Exchange Earnings | 34,324.54 | 37,947.22 |
| Foreign Exchange Outgo | 115,602.49 | 74,009.98 |



Passing out ceremony of Unnati Prayas Graduates (Engineering). Mr. R S Sharma, CMD and Board Directors and senior officials at ONGC Academy, Dehra Dun, Participating in the ceremony



Annexure- F | Comments of the Comptroller and Auditor General of India under section 619 (4) of the Companies Act, 1956 on the accounts of Oil and Natural Gas Corporation Limited for the year ended 31 March, 2009

The preparation of financial statements of Oil and Natural Gas Corporation Limited for the year ended 31 March, 2009 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 619 (2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done vide their Audit Report dated 24th June, 2009.

I, on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619 (3) (b) of the Companies Act, 1956 of the financial statements of Oil and Natural Gas Corporation Limited for the year ended 31 March, 2009. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under section 619 (4) of the Companies Act, 1956.

For and behalf of the
Comptroller and Auditor General of India

Sd/-
Sarit Jafa
Principal Director of Commercial Audit
& *ex-officio* Member, Audit Board II Mumbai

Place : Mumbai
Date : 17 July, 2009



Drillers at work on the Derrick floor of an offshore rig



ONGCians taking stock of various activities at an internal meeting inside the control room of Hazira Plant.



Management Discussion and Analysis Report



The Economy

The global economy, right now, is visibly on the downward flank of one of the worst recession in the post World War era with fractured signs of uneven recovery. It has yet to stabilise and is expected to remain sluggish in the short-term, especially in the developed countries. The impact of recession is still not clear as the economic growth outlook is being revised and re-revised month-after-month.

The real GDP of the advanced economies declined by unprecedented 7.5 percent during the fourth quarter of 2008 and output is estimated to fall almost as fast during the first quarter of 2009 (The World Economic Outlook, April 2009 by IMF).

However, there are determined efforts to at least arrest the downturn. Largely the efforts are on to put the financial sector back to health through the use of macro economic policy levers. How much or how fast it is going to help will just be a wild guess; even though there are clear signs of recovery in the emerging economies like China and India.

The IMF survey, World Economic Outlook (WEO 2009), in its latest update on July 8, 2009 pegs global economic growth at 2.5% in 2010, almost half percent higher than what it projected in its bi-annual April'09 report. The WEO 2009 enhanced India's growth rate by 0.9% to 6.5% in 2010; second only to China amongst the major economies.



An ONGC scientist at work at ONGC's Institute of Reservoir Studies, Ahmedabad

The emerging economies of China and India have shown remarkable resilience amidst contraction of major economies of the world; admirably supported by resilient companies; one of which is personified by your own Company. Amidst global shelving and stalling of projects, ONGC meaningfully invested Rs. 217,900 million for its various activities; more than 94% being on the core activity Exploration and Production (E&P) of hydrocarbons in FY'09. Despite sharing the burden of under recoveries of the Oil Marketing Companies (OMCs), to the extent of Rs. 282,252 million, your Company still managed to post a net profit of Rs.161,263 million for the FY'09; marginally lower than the preceding year, apart from contributing Rs. 280,496 million to the exchequer

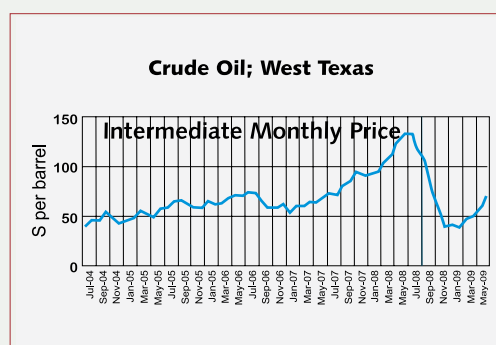
Industry Structure and Developments

- Crude oil prices**

Crude oil price, average WTI (West Texas Intermediate) spot, which was in a moderate band of \$45-47 per barrel five years back, started increasing steadily based on demand build up particularly from the developing economies; raising concerns about sustaining supplies. Subsequently, along with demand build up, the price got entangled in the commodity boom and volatility ruled till the current global economy meltdown. Crude oil price peaked to \$147 per barrel on 11th July 2008; averaging \$133 per barrel during July 2008.

Steep rise in oil prices was distressful not only for the energy deficient economies but also for the developed economies, as gradually it got detached from consumer spending and confidence. Rightly so, high oil price is considered to be one of the prime reasons for global economy meltdown last year.

Thereafter, sudden and sharp decline in oil prices crippled the E&P industry world over. It averaged \$39 a barrel during February 2009; however, it started gaining momentum thereafter on account of OPEC interventions and signs of global economy recovery.





Presently it is ruling around \$70 a barrel (WTI crude price; average for June 2009). It is bit early to presume the present price regime as a sign of recovery; however, price at this level may help oil companies to keep up their commitments.

- **Demand-Supply**

The economic downturn has set back the global crude oil and gas demand clock by about four years. As per CERA (Cambridge Energy Research Associates), the demand shock has completely given way to recession shock and has taken the global oil demand level to that of pre-2005.

Between 2003 and 2007, crude oil demand grew by 7.6 million barrels per day (mb/d) compared to 4.3 mb/d growth in the preceding five years; peaking to 87.2 mb/d in the fourth quarter of 2007. As cracks in global economy became visible, crude oil demand gradually started melting; lowering to 82.6 mb/d in the second quarter of 2009 (Source: IEA; Oil Market Report 11th June 2009).

Decline in global oil demand has temporarily diminished the threat of supply crunch, as spare production capacity with OPEC is now expected to reach 7.78 mb/d by the next year, or 8% of global demand as per the International Energy Agency (IEA). However, this demand destruction is temporary. The moment the world is out of this crippling recession, demand for oil and gas is bound to bounce back.

Opportunities & Threats

The steep decline in prices and the economy crunching credit squeeze has had a telling effect on investments and consequently future supply growth. This could well turn out to be a great setback once the global economy recovers.

Supply sustainability is likely to remain the biggest challenge for the industry as major oil fields are globally declining; few of those at a very disconcerting rate of over 9%. Production from known new discoveries can't offset this decline in near future.

Oil production dipped or at best remained flat in almost all the regions except OPEC in the year 2008. Even Russia has shown a fall in production by around 1%. BP Statistical Review 2009 has brought out that the global proved oil reserves too have fallen; led by decline in FSU (Former Soviet Union), OECD (Organisation for Economic Co-operation and Development) countries and even Iran.



An ONGC Engineer conducting a routine maintenance job on an onshore installation

E&P companies spent around \$96 billion in 2008; a rise of 41% from \$68.4 billion in 2007. However, this trend is expected to end at least in short to medium-term. A prolonged plunge in oil prices will curtail E&P companies' spending on new projects, particularly in the prospective but highly capital intensive areas like oil sands, heavy oil, deep and ultra-deep waters, etc., and may limit the future production growth.

Revisiting investment plans, reduction in budgets, project delays are some of the phenomenon which now characterize oil business. It is happening in case of smaller oil companies and service providers who are dependent on credit markets for financial resources. Larger oil companies, including NOCs and the IOCs, may also feel the pinch when support from service providers is constrained. In such scenario, rationalization of cost of oil field services, which emerged as the biggest challenge for the oil industry in boom days, becomes imperative.

The cost of developing a portfolio of upstream assets more than doubled from 2004 to 2008. This explosion in costs was the result of bottlenecks and shortages of people, equipment, inputs such as steel and engineering skills. Neutralizing these shortages would require support from resource holders and host countries through enabling tax regimes. CERA predicts that upstream costs may decline by as much as 40% by 2011. This would be good news for the industry and an opportunity to rebuild capabilities to meet the future demand.

CERA estimates that oil industry would need to spend more than US\$150 billion per year on new oil supply over the next few years if industry costs do not decline. In case of decline, it is estimated to be US\$90 billion per year.

The Priorities

Ensuring sustained supply of energy with green solutions has become the first requirement for inclusive growth of the societies. As such, on supply side, there is a need for establishing linear correlation between demand and capacity buildup. However, this correlation has third and very important dimension i.e., investment; which more or less boils down to the localized business interest of the countries or the corporates.

Sustained investment will be required for locating new resources, maintaining production levels from the existing E&P assets and developing technology solutions for the future. For all these to happen, the first requirement is stable price regime which can only allow the industry to workout its priorities and map out long-term sustainable solutions.



An ONGCian at an offshore platform in communication with base station



OVL operations at sub zero temperature at Sakhalin, Russia

REPORT  junction.com

In case volatility and uncertainty prevails it will be a bad news for the energy starved world. Today's delays will provoke wide disparity in demand and supplies of tomorrow when the world is out of recession.

Stable price regime with defined mechanism for sharing subsidy burden, would also help your Company to chalk out its priorities in better manner.

Though the price in \$60-70/ barrels range, as it is ruling currently, is comfortable for the economies, the key producers are looking for prices in what they call "Goldilocks range", i.e., prices to be in a range which is neither too hot for consumers, nor too cold for the suppliers. This range is supposedly around \$80 a barrel.

At the same time the industry will also be required to expedite commercialization of unconventional resources; like Coal Bed Methane (CBM), Underground Coal Gasification (UCG), Gas Hydrates, Shale gas, etc. These capital intensive solutions would also require innovative technology solutions. The other imperative is to look beyond hydrocarbons and develop alternate green solutions.

Effective energy demand management at macro and micro levels can help in easing pressure on hydrocarbons. Besides conservation, improving energy efficiency would require renewed thrust.

Strategic pursuits

It is a matter of great comfort and satisfaction that the global gloom has not been allowed to descend on your company. ONGC has been able to maintain production levels and due to intensified exploratory efforts, it is able to accrete record hydrocarbon reserves. During 2008-09, ONGC accreted 284.81 MMT of initial in-place volume of hydrocarbons from its domestic acreages; the highest in last two decades.

As is global trend, the major domestic fields of your Company have also entered in the natural decline phase. However, the IOR/ EOR schemes, which your Company is systematically implementing since 2001, have successfully been augmenting production and neutralizing decline from these matured fields. Thanks to these, recovery factor from fifteen major fields, where fourteen IOR/EOR schemes were implemented with an investment of more than Rs.140,000 million, have increased from 27.5% in 2000-01 to 33.1% in 2008-09. Your company is contemplating of investing additional Rs. 160,000 million on seven more IOR/EOR and re-development projects which are under implementation. These projects will play crucial role in arresting decline from the matured fields.



Mr. R. S. Pandey, Secretary MoP&NG and senior officials of Ministry of Petroleum & Natural Gas in deliberation with Mr. R S Sharma, CMD, ONGC and other Directos at the 7th Strategy Meet

Further, indigenously developed MEOR (Microbial EOR)-the Microbial bacterial consortiums (S-2 for huff-n-puff mode and PDS-10 for control of wax deposition in oil wells) have successfully been applied in fields of Ahmedabad, Mehsana and Assam Assets for improving well productivity of stripper wells. The total oil gain realized is approximately 43,000 m³. Your Company also helped M/s Oil India Limited (OIL) in implementing this MEOR job in 8 of their wells.

It has always been the endeavour of your Company to expeditiously develop discovered fields. 45 discoveries, out of 111 made during FY'03 to FY'09, have already been brought to stream. Accelerated development and production for the remaining discovered fields has also been launched.

During the year 2008-09, a new and dedicated business unit Eastern Offshore Asset has been constituted with an aim to put East Coast discoveries on a fast track development through an integrated East Coast hub. The oil discoveries in G-4-6, GS-29-1, G-4-5, discoveries in KG-DWN-98/2 and in the PEL Block IG provided the push for an accelerated development through an integrated hub. Monetization of marginal fields is already a priority agenda.

Besides focus on exploiting brown fields and fields already discovered, it is also important to discover new fields. ONGC has been intensifying its exploration efforts and 28 discoveries in the last fiscal testify our resolve to that effect.

Induction of new advanced equipment as well as upgradation of existing resources with state-of-the-art equipment to remain competitive in the global E&P business is mandatory for the company. The process of refurbishing and upgrading the Onland Drilling and Workover rigs is already underway in various phases. Your company has inducted and absorbed several state-of-the-art technologies. It is also collaborating and having alliance with technologically rich and expert companies and academia and has also empanelled several Domain Experts on its roll.

Expanding resource portfolio

Your company has not limited its horizon of energy sources to oil and gas; it is meaningfully pursuing fuel options beyond conventional sources as well.



ONGC's exploratory efforts in this direction have led to another CBM discovery in Bokaro during FY'09. Pilot CBM production from its earlier discovery in Parbatpur is expected to commence this year.

Exploration and exploitation of Underground Coal Gasification (UCG) has been a continuous endeavour of your Company. Environmental clearance for the first UCG pilot site at Vatsan, Gujarat has already been obtained and its design has also been firmed up. The pilot project is expected to commence production in the next fiscal.

Shale gas is fast emerging as a major contributor to the total gas output in USA. Your company too has embarked on a pilot project in the Damodar Basin for Shale Gas exploration with an ultimate aim to test flow & establish shale gas in Indian basins.

Your company has also entered into the domain of alternate sources of energy. A 50 MW Wind Power Plant was commissioned on September 6, 2008 in Gujarat which is wheeling power to ONGC installations in Gujarat. Your Company is also planning to setup a Photo Voltaic Solar farm of 10 MW.

Besides, ONGC Energy Centre has launched research projects in several new alternative sources of energy including Thermo-chemical generation of hydrogen, Bioconversion of coal/oil to methane gas, Solid state lighting, Solar PV Energy Farm, etc. It has also joined hands with Uranium Corporation of India Limited (UCIL) for exploration and exploitation of uranium in India and abroad.

ONGC pursuits of enhancing its E&P portfolio through acquisition of overseas equity have been well and truly carried out by its 100% subsidiary, the ONGC Videsh Limited (OVL). As of now, OVL is pursuing 40 E&P projects spanning 16 countries out of which 8 projects are now producing assets; BC-10 block in Brazil being the latest producing asset which commenced production on 13th July 2009.

Another subsidiary of your company, Mangalore Refinery and Petrochemicals Limited (MRPL) has been setting its own bar as last year it achieved highest ever throughput of 12.59 MMT. The refining capacity of the MRPL is being enhanced from 9.69 to 15 MMTPA and the project is on track and is expected to be completed by 2012.

Your company is pursuing various value-multiplier projects in the areas of Petrochemicals, SEZs, Power, etc. Most of these projects are progressing well and once commissioned, will signify integrated dimension to your Company's business pursuits.

Outlook

Your Company holds Petroleum Exploration Licence (PEL) for 161 exploration acreages in the domestic basins out of which 82 (including 10 with participative interest) are NELP blocks and remaining 79 are the blocks awarded by the Government of India on nomination basis. Company has intensified exploratory efforts to convert most of the PEL areas into Petroleum Mining Lease (PML). During the year 2008-09, your company went ahead with aggressive seismic data acquisition plans, with 77,125 LKM (Line Kilo meter) of 2D and 26,785 Square Kilo meter (Sq.Km) of 3D data.

During current fiscal also your Company intends to maintain the momentum for exploratory and development efforts. Your Company plans to drill 373 wells (148 exploratory; and 225 development wells), against 324 (106 exploratory; and 218 development wells) during the last year with envisaged Capex of Rs. 78,401 million. For seismic survey planned expenditure stands at Rs. 24,389 million. As such your Company has planned 49% of the budget i.e., Rs. 208,680 million, for FY 2009-10 towards exploration and drilling alone.

Similarly, your Company is taking suitable measures to enhance production of oil and gas as detailed earlier. During the year FY 2009-10, your Company has earmarked a budget of Rs. 88,171 million towards Capital projects and purchases.

Out of total XI Plan (2007-12) outlay of Rs. 1,300,430 million, Rs. 717,950 million (55%) has been earmarked for domestic E&P operations; Rs. 453,330 million (35%) for overseas E&P operations; and balance Rs. 129,150 million (10%) for value-integration projects.

As far as domestic E&P is concerned, your Company, in the first two years of XI plan five year period itself, has already made Capital Expenditure of Rs. 394,410 million (i.e., about 52% of the total plan outlay); all through internal accruals. Investment plan for the remaining XI plan period remains intact and that also is expected to be financed through internal resources only.

Budget estimate for the FY 2009-10 is estimated to be Rs. 208,680 million; implying about 80% of the XI Plan outlay shall be invested in first three years itself. The Capex during XI plan is imminent to exceed plan outlay, but financing the same would not be of any concern.

Similarly, about 43% (Rs. 206,342 million) of the XI Plan outlay for OVL has already been invested towards overseas E&P operations and acquisitions in the first two years of plan period. OVL continues to aggressively scout for E&P opportunities around the world and financing of such opportunities would also not be any cause of concern.

Corporate Governance

All the while, despite engrossed in its operational activities, your company has not compromised on its role as a responsible corporate citizen.

You may recall that, towards good Corporate Governance, ONGC had taken an initiative for auditing/ third party certification of 576 wells (572 exploratory and 4 development) drilled during X plan period. The consultant DeGolyer and McNaughton (D&M) had completed auditing of 350 wells in first phase during 2007-08. During the second phase, the consultant has completed auditing of remaining 226 wells during 2008-09.

Your company had also decided earlier to get its reserves audited by 'International Credible Agency'. Hence, initiatives were taken to get the Inplace & Reserves of 68 fields of ONGC audited by D&M. The job has been completed during August, 2008.

You would be pleased to know that your Company has received 'Nil' comments from C&AG and Statutory Auditors for the year 2008-09. This is the third time a row that the organization has received 'Nil' comments. This tells about the strengths of the corporate governance practices which your Company has adopted. Your company has received the Gold Trophy for "SCOPE Meritorious Award for Good Governance 2006-07" in November 2008.

Corporate Social Responsibility (CSR)

You may also be pleased to know that ONGC has objectively reviewed its new Corporate Social Responsibility (CSR) policies and integrated it with its business strategies. Your company has enhanced its fund allocation from 0.75% to 2% of net profit for the various CSR projects. A dedicated group, headed by a senior officer of the rank of Group General Manager, has been constituted to pursue CSR activities.

Risks and Concerns

E&P is full of uncertainties and therefore highly risky. More so when the low lying fruits the so called easy oil have become a thing of past. Now, search is on for resources lying in technically challenging, logistically difficult and capital intensive locales.

Though the cost of oil field services have eased a bit, inputs, especially rigs for one of the most promising regimes, the deep and ultra-deepwater are still difficult to source.

Gas pricing from nominated blocks remains unchanged and it is adversely affecting the profitability in gas business. Early upward revision of the APM gas prices will help your Company to improve bottom-lines in the business.

Your Company is required, under prevailing Government Directives, to share under-recoveries of Oil Marketing companies (OMCs) which cuts deep pockets as the crude prices soar having adverse impact on its revenues and profit.

Besides, there always remains a concern for Health, Safety and Environment owing to very nature of E&P operation and geographical location of its operation like high seas.

Internal Control Systems

E&P operations need infallible control systems. The company has high standards and effective methods of monitoring its technology and field operations. Internal and external audits by internal groups and external bodies are conducted on regular basis to ensure that statutory safety and other government guidelines are being followed.

Health, Safety & Environment (HSE)

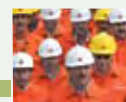
Your company has implemented globally recognized QHSE management systems conforming to requirements of ISO 9001, OHSAS 18001 and ISO 14001 at ONGC facilities and certified by reputed certification agencies at all its operational units. Surveillance Audits for sustaining HSE accreditation was carried out in 408 units during the year. In addition to this, 248 HSE (Process Safety) Audits were carried out during the year. Your Company also carried out Safety Management Perception Survey for the offshore operations through globally reputed consultant M/s DuPont.

Concern for Climate

ONGC is equally conscious and shares the global concern on climate and it has remained on top of agenda of the management. Your Company is also playing a pioneering role in the field of Greenhouse Gas (GHG) accounting. This is the first step towards carbon foot printing and full fledged carbon disclosure system and the first step for attaining carbon neutrality. GHG accounting will also help ONGC in benchmarking its operations leading to energy efficiency.

Human Resource/ Industrial Relations

Human Resource Development (HRD) has always been one of the constantly focused action point for the management of your Company. The practices adopted under HRD concentrate on nurturing and developing talent for the core activities of the organization. Due to these endeavours, your Company has the finest pool of Scientists, Engineers and Professionals.



Retaining talent has always been a challenge; however, with innovative practices your Company has been able to restrict attrition. Your Company also endeavours to meet the genuine expectations of the employees through various welfare measures.

During the year, ONGC faced the destabilizing situation of agitation programmes by OSOA/ASTO over the issue of pay revision of Oil Sector Officers. The hard-line approach by the agitators culminated into strike during 7-9 January 2009 in almost all oil sector PSUs, causing serious disruption of operations in ONGC at all work centres. Post strike, strict measures have been taken to curtail disruptive activities. However, through direct communications, suitable measures have been taken to improve employee motivation. Except for this disruptive action by ASTO leadership, harmonious Industrial Relations were maintained all over the company.

Cautionary Statement

Statement in the Management Discussion and Analysis and Directors Report describing the Company's objectives, projections and estimates, are forward-looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.



Production Engineers monitoring production parameter in an Offshore Control Room



ONGC Production Engineers inside Uran Plant, Mumbai



Corporate Governance Report



The Company believes in adopting the best practices in the areas of Corporate Governance. Corporate Governance is viewed as a value to be imbibed and an ideology to be ingrained into the corporate culture. Company's philosophy on corporate governance is led by strong emphasis on human values, individual dignity and adherence to honest, ethical and professional conduct.

The management and employees of the Company are committed to uphold the core values of transparency, integrity, honesty and accountability.

Our Corporate Governance philosophy is based on the following principles;

- Achieving high level of Transparency, openness and accountability and fairness in all areas of operation.
- Promoting ethical conduct throughout the organisation with primary objective of enhancing shareholders value.
- A sound system of internal control to mitigate the risks.
- Compliance of law, rules & regulations in true letter and spirit.
- Independent verification of the Company's financial reporting;
- Strategic supervision by the Board of Directors of appropriate composition, size, varied experience and commitment to discharge their responsibilities;
- Timely and balanced disclosure of all material information to all the stakeholders;
- Protection of the interest of all the stakeholders including employees, customers, vendors, shareholders and investors.

1.1 Corporate Governance Recognitions

In recognition of excellence in Corporate Governance, the following accolades have been conferred on ONGC in recent years:



Mr. R S Sharma, CMD, ONGC receiving the SCOPE Meritorious Award for Corporate Governance from Mr. Santosh Mohan Deb, the then Hon'ble Minister for Heavy Industries

- (i) 'SCOPE Meritorious Award for Corporate Governance 2006-07' received on 21st November 2008
- (ii) 'ICSI National Award for Excellence in Corporate Governance-2003'- by the Institute of Company Secretaries of India;
- (iii) 'Golden Peacock Award for Excellence in Corporate Governance' by the Institute of Directors in the years 2002, 2005 and 2006;
- (iv) 'Golden Peacock Global Award' for Corporate Governance in Emerging Economies by World Council for Corporate Governance, U.K. in the years 2005, 2007 and 2008;
- (v) 'Golden Peacock Award for Excellence in Corporate Social Responsibility in Emerging Economies- 2006' by World Council for Corporate Governance, U.K.;

2. BOARD OF DIRECTORS

2.1 Composition, Meetings and Attendance

The Company is managed by the Board of Directors, which formulates strategies, policies and reviews its performance periodically. The Chairman & Managing Director (CMD) and six Whole-Time Directors viz. Director (Human Resource), Director (Onshore), Director (Exploration), Director (Technology & Field Services), Director (Finance) and Director (Offshore) manage the business of the Company under the overall supervision, control and guidance of the Board.

2.2 Composition

The Board of Directors has an adequate combination of Executive (Functional) and Non-executive Directors. As on 31st March, 2009, the Board had 17 members, comprising of 7 Functional Directors (including the Chairman & Managing Director) and 10 Non-executive Directors (comprising 2 part-time official nominee Directors and 8 part-time non-official Directors)- nominated by Government of India. To share the experience and business strategies, Managing Director, ONGC Videsh Limited is an invitee to the meetings of the Board.

2.3 Board/ Committee Meetings and Procedures

(A) Institutionalised decision making process

With a view to institutionalize all corporate affairs and setting up systems and procedures for advance planning for matters requiring discussion/ decisions by the Board, the Company has defined guidelines for the meetings of the Board



of Directors and Committees thereof. These guidelines seek to systematize the decision making process at the meetings of Board/ Committees, in an informed and efficient manner. Company's guidelines relating to Board Meetings are applicable to Committee Meetings as far as may be practicable.

(B) Scheduling and selection of Agenda items for Board/ Committee Meetings

- (i) The meetings are convened by giving appropriate advance notice after obtaining approval of the Chairman of the Board/ Committee. To address specific urgent need, meetings are also being called at a shorter notice. In case of exigencies or urgency resolutions are passed by circulation.
- (ii) Detailed agenda, management reports and other explanatory statements are circulated in advance in the defined agenda format amongst the members for facilitating meaningful, informed and focused decisions at the meetings. Where it is not practicable to circulate any document or the agenda is of confidential nature, the same is tabled with the approval of CMD. Sensitive subject matters are discussed at the meeting without written material being circulated. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are permitted.
- (iii) The agenda papers are prepared by the concerned officials, sponsored by the concerned functional Directors and approved by the CMD. Duly approved agenda papers are circulated amongst the members of the Board/ Committee by the Company Secretary or by the convener of the Committee.
- (iv) The meetings of the Board/ Committees are generally held at the Company's Registered Office in New Delhi.
- (v) The Board/ Committee is given presentations covering Finance, Production, Operations, major Business Segments, Human Resources, Marketing, Joint Venture operations.
- (vi) The members of the Board/ Committee have complete access to all information of the Company and are also free to recommend inclusion of any matter in agenda for discussion. Senior officials are called to provide additional inputs to the items being discussed by the Board/Committee, as and when necessary.
- (vii) Each Committee has the authority to engage outside experts, advisers and counsels to the extent it considers appropriate to assist the Committee in its work.

(C) Recording minutes of proceedings at the Board Meeting

Minutes of the proceedings of each Board/Committee meeting are recorded. Draft minutes are circulated amongst all members of the Board/ Committee for their critical appreciation and comments. The comments are incorporated in the minutes, which are finally approved by the Chairman of the Board/ Committee. These minutes are confirmed in the next Board/ Committee Meeting. Minutes of the meetings of the Committees are also noted by the Board in its next meeting. The finalized minutes are entered in the Minutes Book.



Unveiling ceremony of statue of Late K. D. Malviya, the doyen of the oil industry during the KDMIPE Silver Jubilee Celebrations at Dehradun

(D) Follow-up mechanism

The guidelines for the Board/ Committee meetings provide for an effective post-meeting follow-up, review and reporting process for the action taken on decisions/instructions/directions of the Board and Committee. As per the Board's decision, the Company Secretary intimates the Action Points arising from deliberation during the meeting to the Functional Directors who in turn provide updates to be apprised to the Board on the areas of their responsibilities in the next meeting. Functional Directors submit follow-up Action Taken Report (ATR) once in a quarter.

(E) Compliance

Functional Directors are responsible to ensure adherence to all the applicable provisions of law, rules, guidelines etc. A Quarterly Compliance Report (collected from all work centers) confirming adherence to all the applicable laws, rules, guidelines and internal instructions/ manuals, including on Corporate Governance, is reviewed by the Audit & Ethics Committee and the Board.

(F) Training and evaluation of non-executive Board members

The non-executive Board members are eminent personalities having wide experience in the field of business; education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions. Detailed presentation on the business module, performance, plans etc of ONGC are made to the non-executive Board members, on their induction on the Board of ONGC. They are nominated by the Company for suitable programmes/seminars from time to time. However, at the Board/ Committee/ other meetings, detailed presentations are made by senior executives/ professionals/ consultants on business related issues, risk assessment, impact of regulatory changes on strategy etc. The Company has not adopted any mechanism for evaluating individual performance of non-executive Board members.

2.4 Board Meetings

During the year 2008-09, thirteen Board meetings were held on April 5, May 3, June 3 & 25, July 28, August 25, September 26, October 30, December 1 & 19, 2008 and January 28, February 25 and March 5, 2009.

The minimum and maximum interval between any two Board meetings was 7 days and 39 days respectively.



ONGCians undertaking repair and maintenance work at an onshore installation



Attendance:

| Names & Designation | No. of Board Meetings held during the year | Board Meetings attended | Whether attended last AGM (19.09.08) | As on 31.03.2009 | | | |
|---|--|-------------------------|--------------------------------------|------------------------------|--------|-------------------------------|--------|
| | | | | No. of other Directorships # | | No. of Committee memberships* | |
| | | | | Listed | Others | Chairman | Member |
| a) Executive Directors | | | | | | | |
| Shri R. S. Sharma Chairman & Managing Director | 13 | 13 | Yes | 1 | 5 | Nil | 1 |
| Dr. A.K. Balyan Director (Human Resources) | 13 | 13 | Yes | 2 | 7 | Nil | 1 |
| Shri A.K. Hazarika Director (Onshore) | 13 | 12 | Yes | Nil | 3 | Nil | Nil |
| Shri N.K. Mitra Director (Offshore) (upto 31.01.2009) | 11 | 9 | Yes | 2 | 3 | Nil | 2 |
| Shri D.K. Pande Director (Exploration) | 13 | 12 | Yes | Nil | 1 | Nil | Nil |
| Shri U.N. Bose Director (T&FS) | 13 | 12 | Yes | 1 | 1 | 1 | Nil |
| Shri D.K. Sarraf Director (Finance) | 13 | 13 | Yes | Nil | 3 | Nil | 2 |
| Shri Sudhir Vasudeva Director (Offshore) (w.e.f. 01.02.2009) | 2 | 2 | N.A | 1 | 2 | Nil | 1 |
| b) Non-Executive Directors | | | | | | | |
| (i) Part-time official Directors- Govt. nominees. | | | | | | | |
| Shri S. Sundareshan Addl. Secretary, MoP&NG | 13 | 11 | No | 2 | 1 | Nil | Nil |
| Smt. Sindhushree Khullar Addl.Secretary, MoF (upto 16.12.2008) | 9 | 4 | No | Nil | Nil | Nil | Nil |
| Smt. L.M. Vas Addl Sectretary, MoF (w.e.f 16.12.2008) | 4 | 1 | NA | Nil | Nil | Nil | Nil |
| (ii) Part-time Independent Directors | | | | | | | |
| Dr. R.K.Pachauri | 13 | 3 | No | 1 | Nil | Nil | 1 |
| Shri V.P.Singh | 13 | 13 | No | 2 | Nil | Nil | 3 |
| Shri P.K.Choudhury | 13 | 10 | Yes | 2 | 6 | 5 | 2 |
| Dr. Bakul H. Dholakia | 13 | 10 | No | 3 | 2 | 3 | 5 |
| Smt. Chanda Kochhar (w.e.f 11.11.2008) | 5 | 1 | NA | 1 | 4 | Nil | 2 |
| Shri S.S. Rajsekar (w.e.f. 11.11.2008) | 5 | 5 | NA | 1 | 1 | NIL | 2 |
| Shri S. Balachandran (w.e.f. 11.11.2008) | 5 | 5 | NA | 1 | 2 | 1 | 3 |
| Shri Santosh Nautiyal (w.e.f. 11.11.2008) | 5 | 5 | NA | Nil | Nil | Nil | 1 |

Does not include Directorships of Foreign Companies, Section 25 Companies and private limited companies.

* Chairmanship/ Membership of the Audit Committee and Shareholders'/ Investors' Grievance Committee of public limited companies (including ONGC).

Notes: (i) The Company being a PSU, all Directors are appointed/ nominated by the President of India;

(ii) Directors are not per se related to each other;

(iii) Directors do not have any pecuniary relationships or transactions with the Company;

(iv) The Directorships/Committee Memberships are based on the latest disclosure received;

(v) None of the Director is a Member of more than 10 Committees or Chairman of more than 5 Committees, across all the companies in which he is a Director.



*Keeping abreast with technology –
ONGCians monitoring operations at a workstation*

3. STRATEGY MEET

The Company has a practice of periodic retreats where all members of the Board and senior officials of the Ministry of Petroleum & Natural Gas discuss issues of Corporate Strategy and Policy. The 7th Strategy Meet was held on 27-28 September, 2008 at Narendranagar.

4. CONCLAVE

To have the benefit of cumulative knowledge and experience of the elders of the ONGC family, an assembly of the past and present members of the erstwhile Oil & Natural Gas Commission and Board is organized every year. The 8th Conclave was held on 22-23 November, 2008 at Thiruvananthapuram, Kerala.

5. VICHAR VISHLESHAN

The Key Executives in-charge of Assets, Basins, Services and Institutes meet periodically with CMD and the functional Directors to review performance and to formulate future plans. During the year under review, 8th 'Key Executive Meet' (Vichar Vishleshan) was held at Dehradun on 13-14 December, 2008.

6. RESUME OF DIRECTORS PROPOSED TO BE RE-APPOINTED

The brief resume of Directors retiring by rotation and Additional Director seeking appointment including nature of their experience in specific functional areas, names of companies in which they hold directorship and membership/ chairmanship of Board/ Committee is appended to the notice for calling Annual General Meeting.

7. BOARD COMMITTEES

The Company has the following Committees of the Board:

7.1 Audit & Ethics Committee

The terms of reference of the Audit & Ethics Committee are in accordance with Section 292A of the Companies Act, 1956, guidelines set out in Clause 49 of the Listing Agreement and the Guidelines dated 22nd June, 2007 on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises.

Composition

The Committee is headed under the stewardship of Shri P.K.Choudhury, an Independent non-executive Director w.e.f. 11.09.06. Shri P.K. Choudhury is a Chartered Accountant, Post graduate diploma in Advance Finance Management with distinction from Maastricht School of Management, Netherlands, CAIIB, CAIB (London) and Post graduate in Commerce from Calcutta University. Shri Choudhury has multifarious and enriched experience of more than 35 years in Finance and Banking. All members of the Committee have requisite financial and management experience and have held or hold senior positions in other reputed organizations.

Director (Finance), Chief-Corporate Finance and Head-Corporate Internal Audit are the permanent invitees. Representatives of Statutory Auditors and Cost Auditors are invited to attend and participate in the meetings. Functional Directors, Executives of Finance and other departments are invited on need basis.



The Chairman of the Audit & Ethics Committee was present at the last AGM of the Company.

Company Secretary acts as the Secretary to the Committee.

The role of the Audit & Ethics Committee includes the following:

- (i) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (ii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- (iv) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report.
- (v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- (vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.



Executive Committee members interaction with Key Executives on enhancing production during Vichar Vishleshan – VIII at Dehra Dun

- (vii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- (viii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (ix) Discussion with internal auditors any significant findings and follow up there on.
- (x) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (xi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (xii) To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payment of declared dividends) and creditors.
- (xiii) To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- (xiv) The Audit Committee has discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
- (xv) To review the Audit paras referred to A&EC by the Internal Audit / Board and / or Govt. of India and to provide its suggestions / guidance / comments on the issues referred to it.
- (xvi) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (xvii) The Audit Committee reviews the financial statements, in particular, the investments made by the unlisted subsidiary company.



Monitoring well parameters from an onland control room



During the year 2008-09, eleven meetings of Audit & Ethics Committee were held on April 05, May 2, June 25, July 08 & 28, August 25, October 30, December 19, 2008 and January 28, February 16 and March 5, 2009.

Attendance:

| Members | No. of Meetings held during the tenure | Meetings Attended |
|--|--|-------------------|
| Shri P.K.Choudhury, Chairman | 11 | 9 |
| Dr. Bakul H.Dholakia | 11 | 9 |
| Dr. R.K. Pachauri | 11 | - |
| Shri V.P.Singh | 11 | 11 |
| Smt. Sindhushree Khullar (upto 16.12.2008) | 7 | - |
| Shri S. Balachandran (w.e.f. 05/01/2009) | 3 | 3 |
| Shri Santosh Nautiyal (w.e.f. 05/01/2009) | 3 | 3 |
| Permanent Invitees: | | |
| Shri B.L.Ghasolia, ED-Chief Corporate Finance (upto 31st August,2008) | 6 | 6 |
| Shri S. Dhandapani, GGM-Chief- CA | 5 | 4 |
| Shri D.P.Mukherjee-Head Corporate Internal Audit (upto Feb,2009) | 10 | 8 |
| Shri Pradeep Prasad-Chief Internal Audit (from March,2009) | 1 | 1 |
| Shri D.K. Sarraf, Director (Finance) | 11 | 11 |

7.2 REMUNERATION COMMITTEE

ONGC being a Government Company, appointment and terms and conditions of remuneration of Executive (whole-time functional) Directors are determined by the Government through administrative ministry, the Ministry of Petroleum & Natural Gas. Non-executive part-time official Directors do not draw any remuneration. The part-time non-official Directors received sitting fees of Rs. 20,000/- for each Board/ Committee meeting attended by them.

The Remuneration Committee of ONGC is headed by Shri S.Sundareshan, Addl. Secretary, MoP&NG and Dr. Bakul H. Dholakia, Shri S.S. Rajsekar and Shri Santosh Nautiyal, part-time Independent Directors, Shri D.K.Sarraf, Director (Finance) and Dr. A.K. Balyan, Director (Human Resource) are the members of the Committee.

One meeting of the above Committee was held on 15th October, 2008. All members were present except Dr. Bakul H. Dholakia.

7.2.1 Directors' Remuneration

Remuneration of Directors for the year ended 31st March, 2009 was as follows:



Optimizing hydrocarbon flow rate at Hazira Plant

(a) Executive Directors**(Rs. in lac)**

| Sl. No. | Names | Salary including DA | Other benefits & perks | Performance Incentives | Contribution to PF & other Funds | Provision for Leave, Gratuity & PRBS as per AS- 15 | Grand Total | Term up to |
|---------|--|---------------------|------------------------|------------------------|----------------------------------|--|-------------|------------|
| 1 | Shri R.S. Sharma | 9.1 | 3.2 | 2.5 | 1.1 | 4.3 | 20.2 | 31.01.2011 |
| 2 | Dr. A. K. Balyan | 13.1 | 2.5 | 2.5 | 1.2 | 4.7 | 24.0 | 31.07.2011 |
| 3 | Shri N.K. Mitra (upto 31.01.2009) | 9.6 | 18.4 | 2.5 | 0.9 | 0.2 | 31.6 | 31.01.2009 |
| 4 | Shri A.K. Hazarika | 11.7 | 3.6 | 2.5 | 1.2 | 4.5 | 23.5 | 08.09.2009 |
| 5 | Shri D.K. Pande | 9.7 | 3.2 | 2.5 | 1.1 | 4.1 | 20.6 | 22.09.2010 |
| 6 | Shri U.N. Bose | 11.9 | 2.4 | 2.5 | 1.1 | 4.4 | 22.3 | 26.09.2010 |
| 7 | Shri D.K. Sarraf | 11.6 | 1.8 | 2.4 | 1.1 | 3.0 | 19.9 | 26.12.2012 |
| 8 | Shri Sudhir Vasudeva (w.e.f. 01.02.2009) | 1.6 | 0.1 | 0.0 | 0.2 | 3.1 | 5.0 | 31.01.2014 |

Note: Notice period of 3 months or salary in lieu thereof is required for severance of service.

(b) Non-Executive Directors (Part-time non-official)

Non-Executive non-official Directors were paid sitting fee at the rate of Rs.20,000/-for attending each meeting of the Board/ Committees thereof. Details of sitting fees paid during the year under review are as follows:

| Names | Sitting fees (in lac) |
|-----------------------|-----------------------|
| Shri V.P. Singh | 10.40 |
| Shri P. K. Choudhury | 7.80 |
| Dr. R.K. Pachauri | 1.20 |
| Dr. Bakul H. Dholakia | 7.00 |
| Smt. Chanda Kochhar | Nil |
| Shri S.S. Rajsekar | 1.80 |
| Shri S. Balachandran | 3.20 |
| Shri Santosh Nautiyal | 2.80 |
| Total | 34.20 |

This excludes cheques amounting to Rs. 1.00 lac issued, pending cancellation.

7.2.2 STOCK OPTIONS

The Company has not issued any Stock Options to its Directors/ Employees.

7.2.3 EQUITY SHARES HELD BY DIRECTORS (As on 31st March, 2009)

Except as stated hereunder, none of the Directors, hold any Equity Shares in the Company as per the declarations made by them to the Company:

| Names | Sitting fees (in lac) |
|----------------------|-----------------------|
| Shri R.S. Sharma | 1,075 |
| Dr. A.K. Balyan | 600 |
| Shri A.K. Hazarika | 1,160 |
| Shri D.K. Pande | 1,350 |
| Shri U.N. Bose | 298 |
| Shri D.K. Sarraf | 798 |
| Shri Sudhir Vasudeva | 1,363 |
| Shri V.P. Singh | 100 |



7.3 SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/ Investors' Grievances Committee specifically looks into redressing of Shareholders' and Investors' complaints/ grievances pertaining to transfer/transmission of shares, non-receipt of annual reports, dividend payments, issue of duplicate certificates and other miscellaneous complaints. The Committee oversees and reviews performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance of Company's Code of Conduct for Prevention of Insider Trading in ONGC's securities.

The Committee is headed by Shri P.K.Choudhury, an independent non-official Director. The Company Secretary acts as Secretary to the Committee.

During the year 2008-09, three meetings were held on May 02, August 25, and November 28, 2008. The attendance particulars are as under:

| Members | Meetings held during the tenure | Meetings attended |
|----------------------|---------------------------------|-------------------|
| Shri P.K. Choudhury | 3 | 3 |
| Dr. R.K.Pachauri | 3 | 0 |
| Dr. A. K. Balyan | 3 | 3 |
| Shri D. K.Sarraf | 3 | 3 |
| Shri S.S. Rajsekar | 0 | 0 |
| Shri S. Balachandran | 0 | 0 |

7.3.1 Redressal of Investors' Grievance

The Company addresses all complaints, suggestions and grievances of the investors expeditiously and usually sends/ resolves the issues within 7 days except in case of dispute over facts or other legal constraints.

Except for the complaints pertaining to 'Offer for Sale' by Government of India, the Company received 28 shareholders' complaints from Stock Exchanges/ SEBI which inter-alia includes non-receipt of dividend/ annual report, issue of Bonus Shares, payment for fraction Bonus Shares etc. The complaints were duly attended to and the Company/ RTA have furnished necessary documents / information to the shareholders.

No request for share transfer is pending beyond 30 days except those that are disputed or sub-judice. All requests for de-materialization of shares are likewise processed and confirmation communicated to investors and Depository Participants within 10 working days.

The total number of complaints/ queries/ correspondence received and replied/ attended to the satisfaction of the shareholders was 3082. There were no outstanding complaints as on 31st March, 2009.

7.3.2 Settlement Of Grievances



An aerial overview of an offshore platform

Investors may register their complaints in the manner stated below:

| Sl. No. | Nature of Complaint | Contact Office | Action to be taken |
|---------|--|---|---|
| 1. | Complaint regarding allocation of Shares, Refund order under Offer for Sale, 2004 by Govt. of India | Shri Aniruddha Mitra, Director MCS Limited, F-65, Okhla Industrial Area, Phase-I, Delhi- 110020. Phone Nos.011-41406149,51-52 Fax Nos. 011-41709881. e-mail: admin@mcsdel.com | Application giving details of Application No, No. of shares applied, No. of Shares allotted, DP ID, Client ID, Nature of complaint, Applicant Name(s) and complete postal address. |
| 2. | Dividend from financial years 2001-2002 (final) to 2008-09 (interim) and all matters pertaining to Bonus Shares and shares held in Physical mode; For Physical Shares- Change of address, status, Bank account, mandate, ECS mandate etc. | M/s Karvy Computershare Private Ltd., Plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500081. Phone Nos. 040- 23420815-819. Fax No: 040- 23420814. e-mail: mailmanager@karvy.com OR Karvy Computershare Private Ltd., 105-108 Arunachal Building, 1st floor, 19, Barakhamba Road, New Delhi-110001, Phone Nos. 011-41036370 (tele-fax) & 43528522 e-mail: delhi@karvy.com | Letter on plain paper stating the nature of complaint, Folio/ DPID/ Client ID No; lodging of original shares and other documents/ instruments as the case may be. Members are requested to apply for renewal or issue of duplicate dividend warrants for the final Dividend 2001-02 before 30th September, 2009. After 30th September, 2009, the unpaid dividend amount for the year 2001-02 will be transferred by the Company to the Investor Education & Protection Fund (IEPF) set up by Govt. of India and no claim will lie neither against IEPF nor against the Company. |
| 3. | For Dematted Shares- Change of address, status, Bank account, mandate, ECS mandate etc. | Concerned Depository Participant (DP) where the Shareholder is maintaining his/her account | As per instructions of DP |
| 4. | All complaints except of Sl.no.3 | Company Secretary Oil and Natural Gas Corporation Ltd., 124, Indira Chowk, New Delhi-110001 Phone: 011-23301299 & 23301257 e-mail: secretariat@ongc.co.in | On plain paper stating nature of complaint, folio/ DPID/Client ID No., Name and address. |

7.3.3 Investor Relations Cell

In line with global practices, the Company is committed to maintain, the highest standards of Corporate Governance, reinforcing the relationship between the Company and its Shareholders. 'Investor Service Center' with information frequently required by investors and analysis is available on the Company's corporate website ongcindia.com. This website provides updates on financial statements, investor-related events and presentations, annual reports, dividend information and shareholding pattern along with media releases, company overview and report on Corporate Governance etc. Existing and potential investors are able to interact with the Company through this link for their queries and seeking information.

A Core Team comprising of senior, experienced officials, headed by Director (Finance) have been assigned the responsibilities



Mr. D. K. Sarraf, Director (Finance) receiving the Best CFO Award 2008 in the oil and gas sector instituted by CNBC-TV18



for up-keeping the said link and also to serve as a platform for the shareholders to express their opinions, views, suggestions, etc. to understand the influencing factors in their investment decision-making process. Besides, the said team is also instrumental in maintaining close liaison and to share information through periodic meets including tele-conferencing in India and abroad, regular press meets with investment bankers, research analysts, the media, institutional investors etc. The Company is committed to take such other steps as may be necessary to fulfil the expectations of the stakeholders.

7.4 Human Resource Management Committee

The terms of reference include consideration of all issues/ areas concerning Human Resource Planning & Management, HR policies & initiatives and Promotions for the post of Group General Manager (GGM) and Executive Director (ED).

During the year 2008-09, five meetings were held on April 05, June 03, October 15, 2008, January 19 and February 25, 2009. These meetings were attended by the members of the Committee, as under:

| Members | Meetings held during the tenure | Meetings attended |
|--|---------------------------------|-------------------|
| Dr. Bakul H.Dholakia, Chairman | 5 | 4 |
| Shri P.K.Choudhury | 5 | 3 |
| Shri R.S. Sharma | 5 | 5 |
| Shri S. Sundareshan | 5 | 3 |
| Dr. A.K. Balyan | 5 | 5 |
| Shri A.K. Hazarika | 5 | 5 |
| Shri N.K. Mitra (upto 31.01.2009) | 4 | 4 |
| Shri D.K.Pande | 5 | 4 |
| Shri U.N.Bose | 5 | 4 |
| Shri D.K.Sarraf | 5 | 5 |
| Shri S.S. Rajsekar (w.e.f 11.11.2008) | 2 | 2 |
| Shri S. Balachandran (w.e.f. 11.11.2008) | 2 | 2 |
| Shri Sudhir Vasudeva (w.e.f. 01.02.2009) | 1 | 1 |

7.5 Project Appraisal Committee

The Project Appraisal Committee examines and makes recommendations to the Board on projects/ capital investment exceeding Rs.150 Crore. Proposals exceeding Rs.150 Crore are appraised in-house, while the proposals exceeding Rs.250 Crore are first appraised by outside technical and financial consultants. It monitors IOR/ EOR Schemes.

Shri V.P. Singh, an Independent Director is the Chairman of the Committee. Director (Offshore) is the Member-Convener of the Committee.

During the year 2008-09, twelve meetings were held on: April 4 and 24, May 2, June 24, July 28, August 22, October 24, November 28, 2008 and January 19, February 16 and March 5 and 13, 2009. These meetings were attended by the members of the Committee, as under:

| Members | Meetings held during the tenure | Meetings attended* |
|---|---------------------------------|--------------------|
| Shri V.P.Singh, Chairman | 12 | 12 |
| Shri R.S. Sharma | 12 | 11 |
| Shri P.K.Choudhury | 12 | 7 |
| Shri S. Sundareshan | 12 | 9 |
| Smt.Sindhushree Khullar (upto 16.12.2008) | 8 | 0 |
| Dr. A.K. Balyan* | 12 | 9 |
| Shri A.K.Hazarika* | 12 | 12 |
| Shri N.K. Mitra (upto 31.01.2009) | 9 | 9 |
| Shri D.K.Pande* | 12 | 9 |
| Shri U.N.Bose * | 12 | 11 |
| Shri D.K.Sarraf | 12 | 12 |
| Shri S. Balachandran (from 11.11.2008) | 4 | 4 |
| Shri Santosh Nautiyal (from 11.11.2008) | 4 | 4 |
| Shri Sudhir Vasudeva (from 01.02.2009) | 3 | 3 |

*These Directors attended only those meetings concerning the Projects of their responsibilities.

7.6 Health, Safety & Environment Committee

The terms of reference includes review of policy, processes and systems on Safety, Health, Environment and Ecology aspects. Dr R.K.Pachauri, an Independent Director is the Chairman of the Committee. Director (Onshore) acts as a Member-Convener.

The other members of the Committee are Shri S. Sundareshan, Shri V.P.Singh, Dr Bakul H.Dholakia, Shri S.S. Rajsekar, Shri Santosh Nautiyal, Shri R.S. Sharma, Dr. A.K. Balyan, Shri N.K.Mitra (upto 31.01.2009), Shri D.K.Pande, Shri U. N. Bose, Shri D.K.Sarraf and Shri Sudhir Vasudeva

During the year 2008-09, three meetings were held on: June 2, September 12, 2008 and February 12, 2009. These meetings were attended by the members of the Committee, as under:

| Members | Meetings held during the tenure | Meetings attended* |
|---|---------------------------------|--------------------|
| Dr R. K. Pachauri, Chairman | 3 | 3 |
| Shri S. Sundareshan | 3 | 0 |
| Shri V. P. Singh | 3 | 3 |
| Dr Bakul H. Dholakia | 3 | 0 |
| Shri S. S.Rajsekar (from 11.11.2008) | 1 | 1 |
| Shri Santosh Nautiyal (from 11.11.2008) | 1 | 1 |
| Dr. A.K. Balyan | 3 | 3 |
| Shri A.K.Hazarika | 3 | 3 |
| Shri N.K. Mitra (upto 31.01.2009) | 2 | 1 |
| Shri D.K.Pande | 3 | 2 |
| Shri U.N.Bose | 3 | 0 |
| Shri D.K.Sarraf | 3 | 2 |
| Shri Sudhir Vasudeva (from 01.02.2009) | 1 | 0 |

7.7 Financial Management Committee

Mandate of the Committee includes looking into the matters pertaining to Budget, Delegation of Powers (Empowerment) Commercial Issues, Forex and Treasury Management, Investments, Risk Management, Capital Structure, Issue of Securities, Short and Long Term Loans, periodical Performance Review of subsidiaries.

The Committee is headed by Dr Bakul H. Dholakia, an Independent Director. Director (Finance) is the Member –Convener.

Shri V.P.Singh, P.K.Choudhury, Smt. Sindhushree Khullar (upto 16.12.08), S. Balachandran, Director (Finance) and concerned Functional Directors are the members.

During the year 2008-09, nine meetings of the Committee were held on June 3 & 25, July 28, August 25, September 22, October 30, December 1, 2008, January 28 and February 16, 2009. These meetings were attended by the members of the Committee, as under:

| Members | Meetings held during the tenure | Meetings attended |
|---|---------------------------------|-------------------|
| Dr Bakul H. Dholakia, Chairman | 9 | 9 |
| Shri V. P. Singh | 9 | 9 |
| Shri P.K.Choudhury | 9 | 7 |
| Smt Sindhushree Khullar (upto 16.12.2008) | 7 | 0 |
| Shri D. K. Sarraf | 9 | 9 |
| Shri S. Balachandran (from 11.11.2008) | 2 | 2 |

7.8 COD for Redressal of Grievances of the Parties

COD for Redressal of grievances of the parties has been constituted to review the grievances of the parties for suitable redressal.

Shri V.P. Singh, an Independent Director is the Chairman of the Committee. Director (T&FS) is the Member-Convener of the Committee.

During the year 2008-09, five meetings of the committee were held on June 20, August 22, October 30, December 1, 2008 and January 19, 2009. These meetings were attended by the members of the Committee, as under:



| Members | Meetings held during the tenure | Meetings attended |
|---|---------------------------------|-------------------|
| Shri V.P. Singh | 5 | 5 |
| Dr. R.K. Pachauri | 5 | 0 |
| Dr. Bakul H. Dholakia | 5 | 3 |
| Shri S.S. Rajsekar (from 11.11.2008) | 1 | 1 |
| Shri Santosh Nautiyal (from 11.11.2008) | 1 | 1 |
| Shri A.K. Hazarika | 5 | 5 |
| Shri U.N. Bose | 5 | 5 |
| Shri D.K. Sarraf | 5 | 4 |
| Shri N.K. Mitra (upto 31.01.2009) | 5 | 4 |

7.9 Other Functional Committees

Apart from the above, the Board also from time to time, constitute Functional Committees with specific terms of reference as it may deem fit. Meetings of such Committees are held as and when the need for discussing the matter concerning the purpose arises. Time schedule for holding the meetings of such Committees are finalized in consultation with the Committee members.

8.0 CODE OF CONDUCT FOR MEMBERS OF THE BOARD AND SENIOR MANAGEMENT

The Company is committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. A code of conduct, evolved in line with the industry practices was adopted by the Board on the recommendations of Audit and Ethics Committee. A copy of the Code has been placed on the Company's website www.ongcindia.com.

All members of the Board and senior management i.e. 'Key Executives' have confirmed compliance with the Code of Conduct for the year under review. A declaration signed by Chairman & Managing Director is given below:

"I hereby confirm that the Company has obtained from the members of the Board and senior management (Key Executives), affirmation that they have complied with the Code of Conduct for Directors and senior management in respect of the financial year 2008-09."

8.1 ONGC Code on Insider Trading

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Board has approved the "Code of Conduct for Prevention of Insider Trading". The objective of the Code is to prevent purchase and/or sale of shares of the Company by an Insider on the basis of unpublished price sensitive information. Under this Code, Insiders (Directors, Advisors, Key Executives, Designated Employees and other concerned persons) are prohibited to deal in the Company's shares/derivatives of the Company during the closure of Trading Window and other specified period(s). To deal in securities, beyond specified limit, permission of Compliance Officer is required. All Directors/ Advisors/ Officers/ designated employees are also required to disclose related information periodically as defined in the Code.

8.2 CEO/ CFO Certification

In terms of revised Clause 49 of the Listing Agreement, the certification by the CEO/ CFO on the financial statements and internal controls relating to financial reporting for the year 2008-09 was submitted to the Board on 24th June, 2009.

9.0 SUBSIDIARY MONITORING FRAMEWORK

All subsidiaries of the Company are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. As a majority shareholder, the Company nominates its representatives on the Boards of subsidiary companies and monitors the performance of such companies periodically.

In terms of Clause 49.III (ii) and (iii) of the Listing Agreement and DPE guidelines, performance of the listed and unlisted subsidiary companies is reviewed by the Audit and Ethics Committee and the Board as under:

- Financial Statements of the listed and unlisted subsidiary companies, are reviewed by the Audit and Ethics Committee;
- Minutes of the meetings of the Board of Directors are placed before the Company's Board, periodically;
- A statement of all significant transactions and arrangements entered into by the Subsidiary Company are also reviewed by the Company.

The Company does not have any material unlisted subsidiary companies in terms of the Clause 49 of the Listing Agreement.

List of the Company's subsidiary companies as on March 31, 2009 is given below:

| Sl.No. | Name of the subsidiary | Date of incorporation | Country in which incorporated |
|---|--|-----------------------|-------------------------------|
| A. Direct Subsidiaries | | | |
| 1 | Mangalore Refinery and Petrochemicals Ltd. (Listed, material) | 07.03.1988 | India |
| 2 | ONGC Videsh Ltd. (Unlisted, non-material) | 05.03.1965 | India |
| B. Direct Subsidiaries of OVL | | | |
| 1 | ONGC Nile Ganga B.V. | 12.03.2003 | Netherlands |
| 2 | ONGC Narmada Limited | 07.12.2005 | Nigeria |
| 3 | ONGC Amazon Alaknanda Limited | 08.08.2006 | Bermuda |
| 4 | Jarpeno Limited | 12.08.2008 | Cyprus |
| C. Indirect Subsidiaries of OVL through ONGC Nile Ganga B.V. | | | |
| 1 | ONGC Do Brasil Exploracao Petrolifera Ltda. | 07.07.2006 | Brazil |
| 2 | ONGC Compos Ltda. | 16.03.2007 | Brazil |
| 3 | ONGC Nile Ganga (Cyprus) Ltd. | 26.11.2007 | Cyprus |
| 4 | ONGC Nile Ganga (San Cristobal) B.V. | 29.02.2008 | Netherlands |
| D. Indirect Subsidiaries of OVL through Jarpeno Limited | | | |
| 1 | Imperial Energy Corporation plc | 13.01.2009 | UK |
| 2 | Imperial Energy Limited | 13.01.2009 | UK |
| 3 | Rus Imperial Corporation plc | 13.01.2009 | UK |
| 4 | Imperial Energy Finance (Jersey) Limited | 13.01.2009 | Jersey |
| 5 | Biancus Holdings Limited | 13.01.2009 | Cyprus |
| 6 | Rus Imperial Limited | 13.01.2009 | UK |
| 7 | Imperial Energy Tomsk Limited | 13.01.2009 | Cyprus |
| 8 | Imperial Energy (Cyprus) Limited | 13.01.2009 | Cyprus |
| 9 | Imperial Energy Nord Limited | 13.01.2009 | Cyprus |
| 10 | Imperial Energy Gas Limited | 13.01.2009 | Cyprus |
| 11 | Nefsilius Holdings Limited | 13.01.2009 | Cyprus |
| 12 | RK Imperial Energy Kostanai Limited | 13.01.2009 | Cyprus |
| 13 | Imperial Frac Services (Cyprus) Limited | 13.01.2009 | Cyprus |
| 14 | Freshspring Investments Limited | 13.01.2009 | Cyprus |
| 15 | Redcliffe Holdings Limited | 13.01.2009 | Cyprus |
| 16 | San Agio Investments Limited | 13.01.2009 | Cyprus |
| 17 | Imperial Energy Trading AG | 13.01.2009 | CHF |
| 18 | Imperial Energy Kostanai Limited | 13.01.2009 | UK |
| 19 | OOO Sibinterneft | 13.01.2009 | Russian Federation |
| 20 | OOO Allianceneftgaz | 13.01.2009 | Russian Federation |
| 21 | OOO Nord Imperial | 13.01.2009 | Russian Federation |
| 22 | OOO Imperial Energy | 13.01.2009 | Russian Federation |
| 23 | OOO Imperial Energy Tomsk Gas | 13.01.2009 | Russian Federation |
| 24 | OOO Stratum | 13.01.2009 | Russian Federation |
| 25 | OOO Imperial Trans Service | 13.01.2009 | Russian Federation |
| 26 | OOO Rus Imperial Group | 13.01.2009 | Russian Federation |
| 27 | T00 Sevkazgra | 13.01.2009 | Kazakhstan |



10. COMPLIANCE OFFICER

The Company Secretary has been nominated as the Compliance Officer.

11. ANNUAL GENERAL MEETINGS

Location, date and time of the AGMs held during the preceding 3 years is as under:

| Year | Location | Date | Time (IST) |
|---------|---|------------|------------|
| 2005-06 | Air Force Auditorium, Subroto Park, New Delhi-110010 | 19.09.2006 | 10:30 a.m |
| 2006-07 | Siri Fort Auditorium, Khel Gaon, August Kranti Marg, New Delhi-110049 | 19.09.2007 | 10.30 a.m |
| 2007-08 | Siri Fort Auditorium, Khel Gaon, August Kranti Marg, New Delhi-110049 | 19.09.2008 | 10.00 a.m |

There was no special resolution passed by the Company at the last AGM, nor any Resolution was passed by the Company's members through postal ballot. At the ensuing AGM also, there is no Resolution proposed to be passed through postal ballot.

12. DISCLOSURES

12.1 Material Contracts/ Related Party Transactions

The Company has not entered into any material financial or commercial transactions with the Directors or the Management or their relatives or the companies and firms, etc., in which they are either directly or through their relatives interested as Directors and/or Partners except with certain PSUs, where the Directors are Directors without the required shareholdings. The Company has obtained declarations from all concerned in this regard, which were noted by the Board.

Transactions with related parties are disclosed in Note No. 28 of Schedule 27 to the Accounts in the Annual Report. Being a State Enterprise, no disclosure has been made in respect of the transactions with State Enterprises, including subsidiary companies, in line with Accounting Standard-18 on Related Party Transactions.

12.2 Compliances

The Company has complied with applicable rules and the requirement of regulatory authorities on capital market and no penalties or strictures were imposed on the Company during last three years.

All returns/ reports were filed with in stipulated time with stock exchanges/ other authorities.

13. MEANS OF COMMUNICATION

- Quarterly/ Annual Results: The Company regularly intimates un-audited as well as audited financial results to the Stock Exchanges, immediately after these are taken on record/ approved. These financial results are normally published in the leading English and vernacular dailies having wide circulation across the country. The results are also displayed on the web site of the Company www.ongcindia.com. The results are not sent individually to the shareholders.



Measuring flow rate at Well Head of an onshore production installation

- News Release, Presentation etc.: The official news releases, detailed presentations made to media, institutional investors, financial analysts etc. are displayed on the Company's website www.ongcindia.com.
- Website: The Company's website www.ongcindia.com contains separate dedicated section 'Investor Relations' where the shareholders information is available. Full Annual Report, Shareholding Pattern and Corporate Governance Report etc. is also available on the web-site in a user-friendly manner.
- Annual Report: Annual Report containing inter-alia, Audited Accounts, Consolidated Financial Statements, Directors' Report, Management Discussion and Analysis (MD&A) Report, Auditors' Report, Corporate Governance Report including Information for the Shareholders and other important information is circulated to the members and others entitled thereto.

14. SHAREHOLDERS' INFORMATION

14.1 Annual General Meeting

Date : 23rd September, 2009
Time : 10:00 Hrs
Venue : Siri Fort Auditorium, Khel Gaon, August Kranti Marg, New Delhi-110049

14.2 Financial Calender

| Adoption of Quarterly Results for the Quarter ending | 3 rd /4 th Week of |
|--|--|
| June 30, 2009 | July, 2009 |
| September 30, 2009 | October, 2009 |
| December 31, 2009 | January, 2010 |
| March 31, 2010(audited) | June, 2010 |

14.3 Book Closure Period

The Book Closure period is from Tuesday, 15th September to Wednesday, 23rd September, 2009 (both days inclusive) for the payment of Final Dividend.

14.4 Dividend Payment Date

The Dividend payment date will be on or after 24th September, 2009

14.5 Listing on Stock Exchanges:

The equity shares of the Company are part of the Sensex and S&P CNX Nifty Index and are listed on the following Stock Exchanges:

| Name & Address | Telephone/Fax/E-mail ID/Website ID | Trading Symbol |
|---|--|----------------------|
| Bombay Stock Exchange (BSE) P.J.Towers, Dalal Street, Mumbai-400001 | Telephone:022-22721233/4 Fax: 022-22721919 E-mail: info@bseindia.com Website: www.bseindia.com | 500312 ONG CORP. LTD |
| National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra(E), Mumbai-400051 | Telephone: 022-26598100-8114 Facsimile: 022-26598120 E-mail: cc_nse@nse.co.in Website: www.nseindia.com | ONGC |

14.6 Listing Fees

Annual listing fees for the year 2008-09, as applicable have been paid to the above Stock Exchanges.

14.7 Demat is in Numbers In NSDL & CDSL

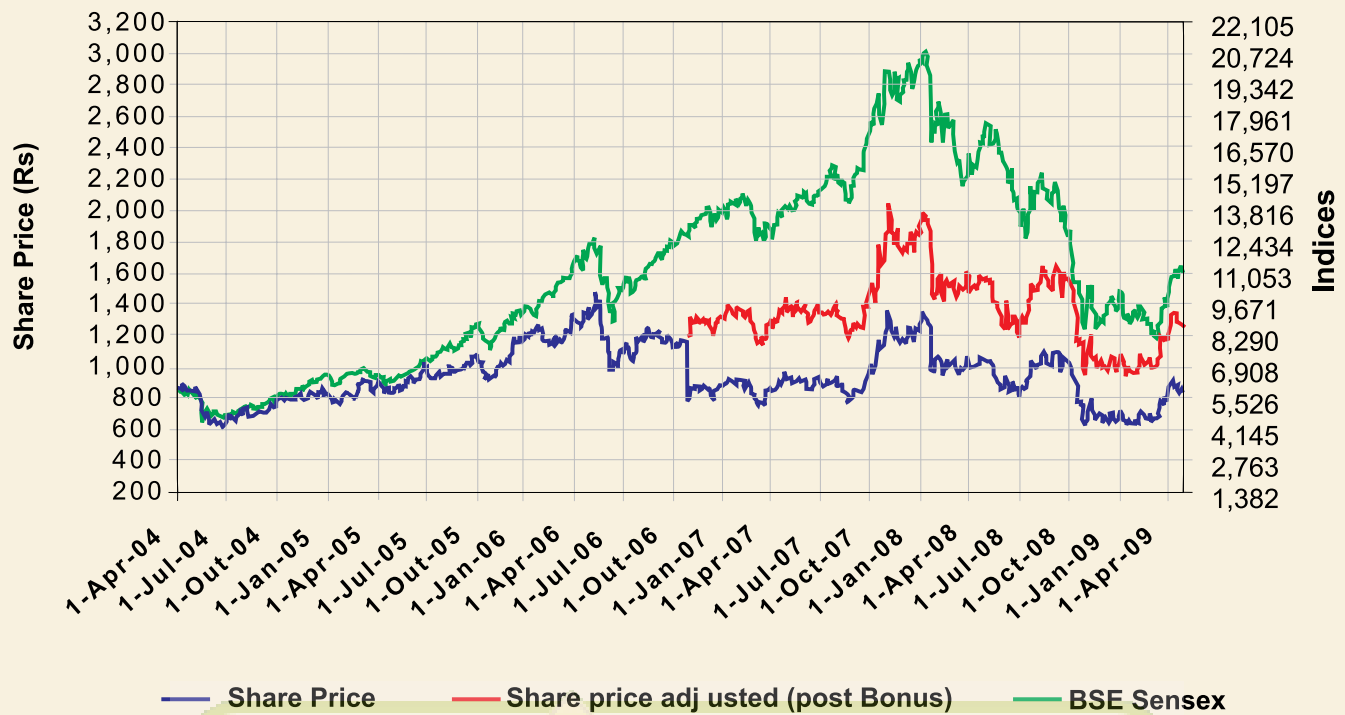
(Stock Code): INE213A01011

14.8 Stock Market Information

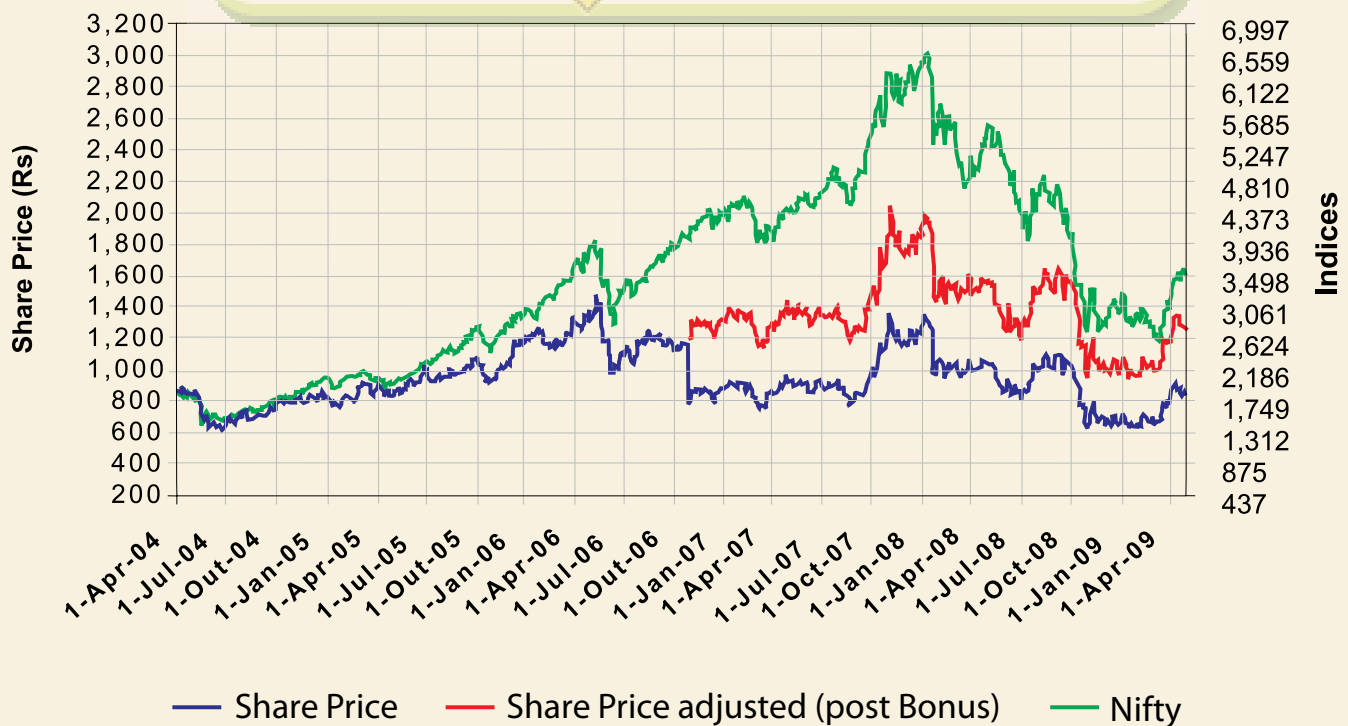
The stock price performance of ONGC scrip during the past 5 years in comparison to BSE indices and S&P CNX Nifty is plotted below:



ONGC share performance: ONGCvs BSE Sensex (2004-09)



Report Junction.com

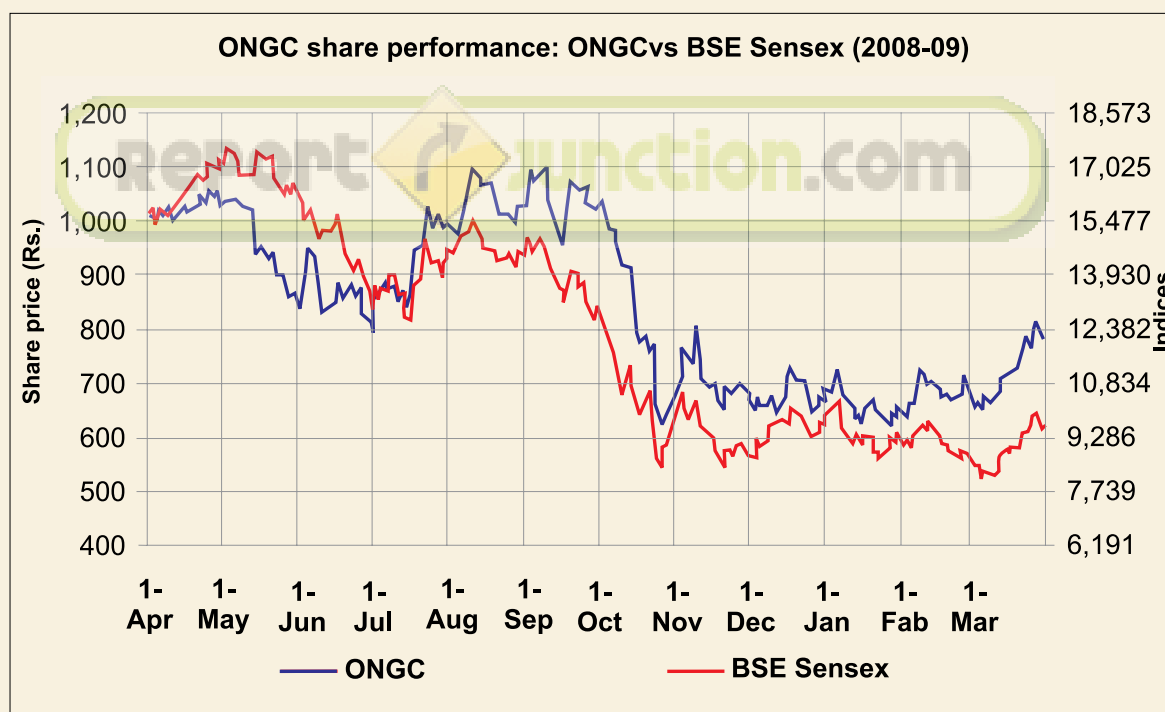


14.8.1 Stock Market Data

| Month | Bombay Stock Exchange | | | National Stock Exchange | | |
|---------|-----------------------|----------|------------|-------------------------|----------|------------|
| | High(Rs.) | Low(Rs.) | Volume | High(Rs.) | Low(Rs.) | Volume |
| Apr '08 | 1072.00 | 978.00 | 6,760,434 | 1064.50 | 967.00 | 24,800,436 |
| May '08 | 1054.90 | 841.50 | 6,666,898 | 1054.50 | 856.00 | 47,219,002 |
| Jun '08 | 969.90 | 795.00 | 16,853,023 | 974.90 | 800.00 | 56,564,333 |
| Jul '08 | 1085.00 | 780.00 | 12,148,692 | 1088.00 | 778.70 | 45,390,552 |
| Aug '08 | 1124.00 | 970.50 | 7,674,212 | 1085.00 | 971.00 | 30,464,171 |
| Sep '08 | 1121.70 | 909.00 | 8,484,514 | 1129.70 | 922.00 | 40,560,438 |
| Oct '08 | 1055.00 | 538.10 | 11,783,136 | 1064.40 | 538.15 | 54,484,647 |
| Nov '08 | 810.00 | 615.00 | 9,629,133 | 810.00 | 612.30 | 44,475,119 |
| Dec '08 | 741.00 | 627.00 | 11,682,301 | 740.95 | 635.50 | 50,574,414 |
| Jan '09 | 735.00 | 614.20 | 7,818,217 | 797.40 | 587.80 | 36,081,528 |
| Feb '09 | 729.40 | 630.10 | 5,647,775 | 738.60 | 630.00 | 28,585,898 |
| Mar '09 | 819.95 | 637.15 | 8,061,535 | 809.85 | 637.50 | 38,914,331 |

Source: Web-sites of BSE & NSE

14.8.2 Performance in Comparison to Broad Based Indices for 2008-09



14.9 Registrar and Transfer Agents (RTA)

Karvy Computershare Private Ltd. (Karvy) Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad-500081, Phone Nos 040-23420815-819. Fax No. 040-23420814 e-mail: mailmanager@karvy.com are the Registrar and Share Transfer Agent for physical shares. Karvy is also the depository interface of the Company with both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL)

Keeping in view the convenience of the shareholders, documents relating to shares and any other documents are accepted at Karvy, 105-108 Arunachal Building, 1st Floor, 19, Barakhambha Road, New Delhi-110001, Phone Nos. 011-41036370 (tele-fax) and 011-43528522 e-mail : delhi@karvy.com and at the registered office of the Company at 8th Floor, Jeevan Bharti Tower-II, 124 Indira Chowk, New Delhi-110001, Phone Nos. 011-23301257 & 23301277, e-mail: secretariat@ongc.co.in



15 SHARE TRANSFER SYSTEM

With a view to expedite the process of share transfer which are received in physical form, the Board had constituted an Officers Committee which usually meets once in a fortnight to consider and approve the shares received for transfer, transmission, re-materialization and dematerialization etc. The shares for transfer received in physical form are transferred expeditiously, provided the documents are complete and the share transfer is not under any dispute. The Minutes of the Officers Committee are placed to the Shareholders'/ Investors' Grievance Committee. A summary of transfer/ transmission of securities so approved by the Officers Committee are placed at Board Meetings. The share certificates duly endorsed are sent to the shareholders by RTA. Confirmation in respect to the requests for dematerialization of shares is sent to the respective depositories i.e. NSDL and CDSL, expeditiously.

Pursuant to the Clause 47-C of the Listing Agreement, certificates on quarterly basis confirming due compliance of share transfer formalities by the Company, certificate for timely dematerialization of the shares as per SEBI (Depositories and Participants) Regulations, 1996 are sent to the stock exchanges.

In addition, as a part of the capital integrity audit, a Secretarial Audit Report for reconciliation of the share capital confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to the stock exchanges.

The total number of transfer deeds processed and shares transferred during the last three years are as under:

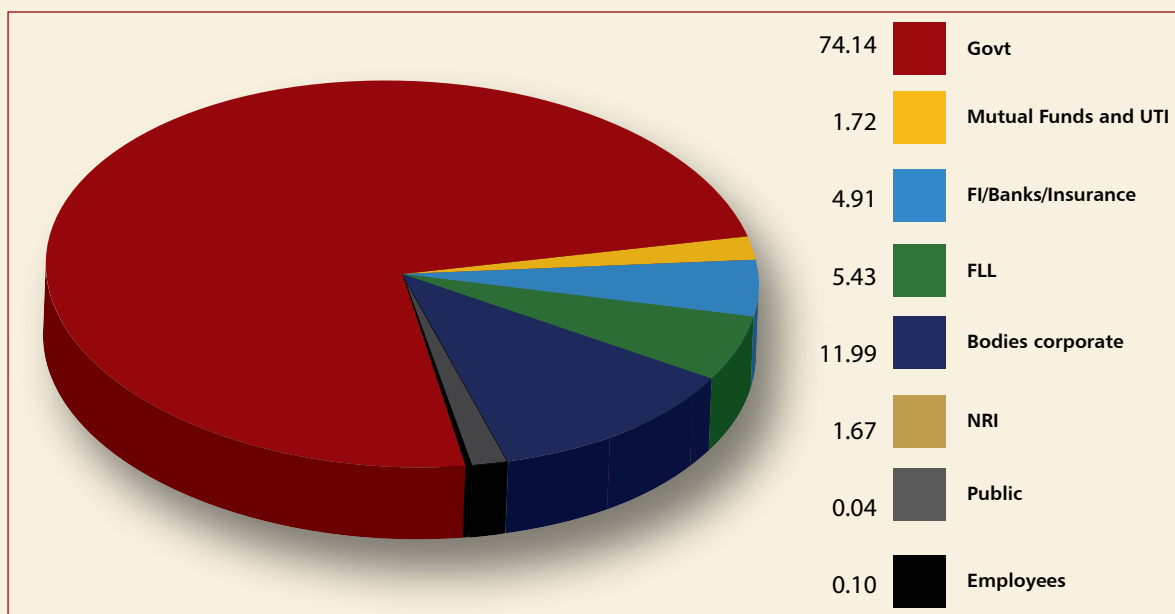
| Years | No. of transfer deeds processed | No. of shares transferred |
|---------|---------------------------------|---------------------------|
| 2008-09 | 420 | 17,944 |
| 2007-08 | 561 | 25,023 |
| 2006-07 | 216 | 36,943 |

16 SHAREHOLDING PATTERN AS ON 31st MARCH, 2009

| Category | No. of Shares held | Percentage of Shareholding |
|---|----------------------|----------------------------|
| President of India | 1,585,740,673 | 74.14 |
| Banks, Financial Institutions and Insurance Companies | 105,054,973 | 4.91 |
| Foreign Institutional Investors | 116,097,133 | 5.43 |
| Mutual Funds & UTI | 36,656,577 | 1.72 |
| NRIs | 816,829 | 0.04 |
| Bodies Corporate: | | |
| Government Companies | 215,881,124 | 10.09 |
| Others | 40,590,974 | 1.90 |
| Employees | 22,43,606 | 0.10 |
| Public | 35,790,641 | 1.67 |
| Total | 2,138,872,530 | 100.00 |



Plant engineers inside the Hazira Plant



16.1 Top 10 Shareholders as on 31st March, 2009

| Sl. No | Name | No. of Shares Held | % of total Shareholding |
|--------|---|--------------------|-------------------------|
| 1 | President of India | 1,585,740,673 | 74.14 |
| 2 | Indian Oil Corporation Limited | 164,480,857 | 7.69 |
| 3 | Life Insurance Corporation of India | 93,119,661 | 4.35 |
| 4 | Gail (India) Limited | 51,400,267 | 2.40 |
| 5 | ICICI Prudential Life Insurance Company Ltd | 11,212,995 | 0.52 |
| 6 | Lazard Asset Management LLC A/C Lazard Emerging Markets Portfolio | 10,594,633 | 0.50 |
| 7 | Bajaj Allianz Life Insurance Company Ltd. | 9,806,582 | 0.46 |
| 8 | Franklin Templeton Investment Funds | 6,156,829 | 0.29 |
| 9 | Government Of Singapore | 4,863,332 | 0.23 |
| 10 | Pru India Equity Open Limited | 4,068,658 | 0.19 |

16.2 Distribution of Shareholding by Size as on 31st March, 2009

| Category | Number of Shareholders | % of Shareholders | Total number of Shares | % of Amount |
|---------------|------------------------|-------------------|------------------------|---------------|
| 1 - 500 | 4,01,330 | 95.81 | 22,922,552 | 1.07 |
| 501 - 1000 | 13,153 | 3.14 | 9,945,030 | 0.46 |
| 1001 - 2000 | 3,010 | 0.72 | 3,824,140 | 0.18 |
| 2001 - 3000 | 262 | 0.06 | 655,194 | 0.03 |
| 3001 - 4000 | 145 | 0.03 | 504,465 | 0.02 |
| 4001 - 5000 | 72 | 0.02 | 325,175 | 0.02 |
| 5001 - 10000 | 202 | 0.05 | 1,493,271 | 0.07 |
| 10001 & Above | 719 | 0.17 | 2,099,201,603 | 98.15 |
| Total | 4,18,893 | 100.00 | 2,138,872,530 | 100.00 |



16.3 Geographical Distribution of Shareholders as on 31st March, 2009

| Sl. No | City | Shareholders | | Shareholding | |
|--------|-----------|--------------|--------|---------------|--------------|
| | | Nos | % age | No of shares | % of holding |
| 1 | Ahmedabad | 28,488 | 6.80 | 3,011,131 | 0.14 |
| 2 | Bangalore | 18,077 | 4.32 | 1,172,481 | 0.05 |
| 3 | Calcutta | 21,806 | 5.21 | 3,477,396 | 0.16 |
| 4 | Chennai | 15,034 | 3.59 | 3,711,548 | 0.17 |
| 5 | Guwahati | 1,245 | 0.30 | 126,938 | 0.01 |
| 6 | Hyderabad | 8,862 | 2.12 | 634,071 | 0.03 |
| 7 | Mumbai | 101,765 | 24.29 | 467,349,048 | 21.85 |
| 8 | New Delhi | 39,913 | 9.53 | 1,641,320,212 | 76.74 |
| 9 | Pune | 13,871 | 3.31 | 823,151 | 0.04 |
| 10 | Vadodara | 12,684 | 3.03 | 1,863,196 | 0.09 |
| 11 | Others | 157,148 | 37.52 | 15,383,358 | 0.72 |
| | | 418,893 | 100.00 | 2,138,872,530 | 100.00 |

16.4 History of Paid-up Equity Share Capital (Face value of Rs. 10 each)

| Year | No. of Shares | Cumulative | Details |
|-----------|---------------|---------------|---|
| 1993-94 | 10 | 10 | Initial subscription to the Memorandum of Association on 23rd June, 1993 |
| 1993-94 | 34,28,53,716 | 34,28,53,726 | Issued to the President of India on 1st February, 1994 on transfer of undertaking of Oil and Natural Gas Commission in terms of Oil and Natural Gas Commission (Transfer of Undertaking and Repeal) Act, 1993 |
| 1994-95 | 66,39,900 | 34,94,93,626 | Issued to the employees at a premium of Rs. 260 per Share (includes 600 shares issued in 1995-96) |
| 1995-96 | 107,64,40,366 | 142,59,33,992 | Issue of bonus shares in the ratio of 3.08:1 on 24.04.1995 by capitalization of General Reserve |
| 2006-07 | (-) 18,972 | 142,59,15,020 | Forfeiture of Shares on 12.04.2006 |
| | 71,29,57,510 | 213,88,72,530 | Issue of bonus shares in the ratio of 1:2 on 08.11.2006 by capitalization of General Reserve |
| 2007 – 08 | - | 213,88,72,530 | |
| 2008 – 09 | - | 213,88,72,530 | |

17.0 CORPORATE BENEFITS DIVIDEND HISTORY

| Years | Rate (%) | Per Share (Rs.) | Amount (Rs. in million) |
|--|----------|-----------------|-------------------------|
| 2004-05 Interim Final | 200 | 20 | 28,518.68 |
| | 200 | 20 | 28,518.68 |
| 2005-06 Interim Final | 250 | 25 | 35,648.35 |
| | 200 | 20 | 28,518.68 |
| 2006-07 Interim Final | 180 | 18 | 38,499.66 |
| | 130 | 13 | 27,805.31 |
| 2007-08 Interim Final | 180 | 18 | 38,499.66 |
| | 140 | 14 | 29,944.22 |
| 2008-09 Interim Final (proposed) | 180 | 18 | 38,499.66 |
| | 140 | 14 | 29,944.22 |

Apart from the above, the Company had issued Bonus Shares in October, 2006 in the ratio of 1 bonus share for every 2 shares held.

18. TRANSFER OF UNPAID/ UNCLAIMED DIVIDEND AMOUNT TO INVESTOR EDUCATION & PROTECTION FUND (IEPF)

During the year under report, an amount of Rs. 1,843,230 pertaining to unpaid dividend for the financial year 2000-01 was transferred to the Investor Education & Protection Fund (IEPF) set up by the Central Government. This is in accordance with the Sections 205A and 205C of the Companies Act, 1956 requiring transfer of dividend remaining unclaimed and unpaid for a period of 7 years from the due date to the IEPF.

Unclaimed final dividend for the year 2001-02 is due for transfer to IEPF on or before 26th October, 2009. All Shareholders, whose dividend is unpaid, are requested to lodge their claim with M/s Karvy, the RTA by submitting an application before 30th September, 2009 since no claim will lie against the Company or the IEPF once the dividend amount is deposited in IEPF.



Controlling the flow of oil at a Group Gathering Station

Members who have not encashed their dividend warrants within their validity period may write to the Company at its Registered office or M/s Karvy, the RTA, for revalidating or obtaining duplicate warrant.

Given below are the proposed dates for transfer of the unclaimed dividend to IEPF by the Company:

| Financial Year | Date of Declaration | Proposed Date for transfer to IEPF* |
|----------------|---------------------|-------------------------------------|
| 2001-02 | 20.09.2002 | 19.10.2009 |
| 2002-03 | | |
| Interim | 31.01.2003 | 28.02.2010 |
| Final | 29.09.2003 | 28.10.2010 |
| 2003-04 | | |
| Interim | 04.02.2004 | 03.03.2011 |
| Final | 29.09.2004 | 28.10.2011 |
| 2004-05 | | |
| Interim | 24.12.2004 | 23.01.2012 |
| Final | 21.09.2005 | 20.10.2012 |
| 2005-06 | | |
| Interim | 23.12.2005 | 22.01.2013 |
| Final | 21.09.2006 | 20.10.2013 |
| 2006-07 | | |
| Interim | 28.12.2006 | 27.01.2014 |
| Final | 19.09.2007 | 18.10.2014 |
| 2007-08 | | |
| Interim | 22.12.2007 | 21.01.2015 |
| Final | 19.09.2008 | 18.10.2015 |
| 2008-09 | | |
| Interim | 19.12.2008 | 18.01.2016 |
| Final | 23.09.2009 | 16.10.2016 |

*Indicative dates, actual dates may vary



19. DEMATERIALIZATION OF SHARES AND LIQUIDITY

The shares of the Company are in compulsory dematerialized segment and are available for trading in depository system of both National Securities Depository Limited and Central Depository Services (India) Limited. As on 31st March, 2009, 553,131,857 Equity shares forming 25.86% of divested shareholding, stood dematerialized.

20. OUTSTANDING GDRs/ ADRs / WARRANTS OR CONVERTIBLE INSTRUMENT

No GDRs/ ADRs/ Warrants or Convertible Instruments have been issued by the Company.

21. LEGAL PROCEEDINGS

No case and/ or suit of any material or substantial nature have been pending against the Company.

22. ASSETS/ BASINS/ PLANTS/ INSTITUTES

A. ASSETS

1. Mumbai High Asset, Mumbai
2. Neelam & Heera Asset, Mumbai
3. Bassein & Satellite Asset, Mumbai
4. Ahmedabad Asset, Ahmedabad
5. Ankleshwar Asset, Ankleshwar
6. Mehsana Asset, Mehsana
7. Rajamundry Asset, Rajamundry
10. Karaikal Asset, Karaikal
11. Assam Asset, Nazira
12. Tripura Asset, Agartala



Mr. S. Vasudeva the then ED-JV (above) presenting to the Board of Directors during the inaugural function of Onshore Control room for Offshore operations at Mumbai

B. BASINS

1. Western Offshore Basin, Mumbai
2. Western Onshore Basin, Vadodara
3. KG-PG Basin, Chennai
4. Cauvery Basin, Chennai
5. Assam & Assam-Arakan Basin, Jorhat
6. MBA Basin and CBM Development Project, Kolkata/Bokaro
7. Frontier Basin, Dehradun

C. PLANTS

1. Uran Plant, Uran
2. Hazira Plant, Hazira

D. INSTITUTES

1. Keshava Deva Malaviya Institute of Petroleum Exploration (KDMIPE), Dehradun
2. Institute of Drilling Technology (IDT), Dehradun
3. Institute of Reservoir Studies, (IRS) Ahmedabad
4. Institute of Oil & Gas Production Technology, (IOGPT) Navi Mumbai
5. Institute of Engineering & Ocean Technology, (IEOT) Navi Mumbai
6. Geo- data Processing & Interpretation Center (GEOPIC), Dehradun
7. ONGC Academy, Dehradun
8. Institute of Petroleum Safety, Health & Environment Management, (IPSHEM) Goa.
9. Institute of Biotechnology & Geotectonics Studies, (INBIGS) Jorhat
10. School of Maintenance Practices, (SMP) Vadodara
11. Centre for Excellence in Well Logging (CEWL), Vadodara
12. Regional Training Institutes, (RTIs) Navi Mumbai, Chennai, Sivasagar & Vadodara.

23. INVESTOR SERVICES

The Company serves its investors through its own Investors' Service Cell and Registrar & Transfer Agent, M/s. Karvy Computershare Pvt. Ltd. who have adequate computer hardware & software and VSAT connectivity with both the depositories, which facilitate better and faster service to the investors.



An aerial view of ONGC Academy, Dehradun



Other facilities, such as remittance of dividend through Electronic Clearing Services (ECS), Bank mandate, incorporation of Bank details on dividend warrants, direct deposit of dividends, reminders for unclaimed dividends, nomination facility, issue of Public Notice for lost share certificate, issue of duplicate share certificate, etc. are also extended.

23.1 Addresses for Shareholders' Correspondence

- **Investor Correspondence:** For transfer/ transmission/ dematerialisation of shares, payments of dividend, bonus shares and other query relating to shares of the Company:

-For Shares held in Physical Form

M/s Karvy Computershare Private Ltd.
Plot No.17-24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500081.
Telephone: 040- 23420815-819; Fax: 040-23420814.
email:mailmanager@karvy.com

-For Shares held in Demat Form

To the Investors' Depository Participant(s) and/ or Karvy Computershare Private Limited.

-For Offer for Sale made by Govt. in 2004

MCS Limited
F-65, Okhla Industrial Area,
Phase-I, Delhi- 110020.
Phone Nos.011-41406149,51-52 Fax Nos. 011-41709881.
e-mail: admin@mcsdel.com

24. RISK MANAGEMENT

The framework for risk assessment and minimization thereto has been evaluated and further improvements, if any, suggested by experts shall be launched.

25. COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Auditors of the Company, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed to the Directors' Report forming part of the Annual Report. The Certificate has also been forwarded to the stock exchanges where the securities of the Company are listed.

26. ADOPTION OF NON-MANDATORY REQUIREMENTS OF CLAUSE - 49

The following non-mandatory requirements have already been implemented and have been reflected elsewhere in this report:

- The Company has constituted a Remuneration Committee and the information has been reflected in para 7.2.
- With regard to Shareholders' Rights, communication of financial results are being published widely and also hosted on the Company's website (refer para 13)
- Information on training of Board members and mechanism for evaluation of non-executive Board members is reflected in para 2.3(f)
- As far as Audit Qualifications are concerned, the Company is in the regime of unqualified financial statements.
- With regard to Whistle Blower Policy, since ONGC is a PSU, the guidelines of CVC are applicable which also provide adequate safeguards against victimisation of employees who avail of the mechanism. No person is denied access to the Audit and Ethics Committee (or it's Chairman in exceptional cases).

27. GUIDELINES ON CORPORATE GOVERNANCE BY DPE

The guidelines issued by DPE on Corporate Governance are being followed.

No Presidential Directive has been issued during 2008-09 and the last three years.

No items of expenditure have been debited in books of accounts, which are not for the purpose of business. No expenses, which are personal in nature, have been incurred for the Board of Directors and top management.

The administrative and office expenses were 3.79% of total expenses during 2008-09 as against 5.45% during the previous year. The decrease in 2008-09 is on account of reversal in 2008-09 of excess pay revision arrear provided during 2007-08 and also provision of additional gratuity in 2007-08 due to increase in the maximum amount of gratuity to Rs.10 Lakh from Rs. 3.5 Lakh.

28. SECRETARIAL COMPLIANCE REPORT

Secretarial Compliance Report confirming compliance to the applicable provisions of Companies Act, 1956, Listing Agreement, SEBI guidelines and all other related rules and regulations relating to capital market, though not mandatory, obtained from a practicing Company Secretary, was noted by the Board and forms part of the Directors' Report.

29. FEE TO STATUTORY AUDITORS

The fee paid/ payable to the Statutory Auditors for the year was Rs. 8.75 million (previous year Rs. 6.75 million) including Rs. 0.75 million (previous year Rs. 0.5 million) as fee for certification of Corporate Governance Report, and Rs. 2.4 million (previous year Rs. 2.4 million) for limited review report.



Sub-sea pipe laying activity in progress



Auditors Certificate on Compliance of Conditions of Corporate Governance

To

The Members
Oil and Natural Gas Corporation Ltd.

We have examined the Compliance of conditions of Corporate Governance by **Oil and Natural Gas Corporation Limited** for the year ended 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination as carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing agreement) issued by the Institute of Chartered Accountants of India and was limited to review the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company, except that the Board of Directors does not comprise of the required number of independent directors and Non-Executive Directors as per the terms of provisions of Clause 49 of the Listing Agreement, has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we state that except for grievances relating to offer for sale of up to 10% equity shares by Government of India made in 2004, all complaints were settled within a period of one month as per the records reviewed by the Shareholders/Investors' Grievance Committee and certified by the Registrar and Share Transfer Agent of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Kalyaniwalla & Mistry
Chartered Accountants

For Arun K Agarwal & Associates
Chartered Accountants

For Singhi & Co
Chartered Accountants

(Ermin K. Irani)
Partner (Mem. No. 35646)

(Arun Agarwal)
Partner (Mem.No. 82899)

(Nikhil Singhi)
Partner (Mem.No.61567)

For P.S.D. Associates
Chartered Accountants

For Padmanabhan Ramani & Ramanujam
Chartered Accountants

(Manish Agarwal)
Partner (Mem. No. 406996)

(G. Vivekananthan)
Partner (Mem.No. 28339)

New Delhi
3rd August, 2009.

Secretarial Compliance Report



The Board of Directors,
Oil and Natural Gas Corporation Ltd
Regd. Office: Jeevan Bharti, Tower II,
124, Indira Chowk,
New Delhi-110001.

We have examined the registers, records and documents of Oil and Natural Gas Corporation Ltd. (the Company) for the financial year ended on 31.3.2009 according to the provisions of:

The Companies Act, 1956 and Rules made under the Act;

The Depositories Act, 1996 and the Regulations and Byelaws framed under the Act;

The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;

The Securities and Exchange Board of India (Prohibition of Insider Trading (Regulations), 1992; and

The Equity Listing Agreement with the Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd.

Based on our examination and verification of records produced to us and according to the information and explanations given to us by the Company, in our opinion, the Company has complied with the provisions of the Companies Act, 1956 ("the Act") and Rules made under the Act and the Memorandum and Articles of Association of the Company with regard to:

- (a) Maintenance of statutory registers and documents and making necessary entries therein;
- (b) Filing of the requisite forms and returns with the Registrar of Companies, NCT of Delhi and Haryana within the time prescribed under the Act and the Rules made thereunder.
- (c) Service of documents by the Company on its members and the Registrar of Companies.
- (d) Closure of Register of Members and Share Transfer Books of the Company from 5th September 2008 to 19th September 2008 (both days inclusive).
- (e) Notice of Board Meetings and Committee meetings of Directors;
- (f) Convening and holding of the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- (g) The 15th Annual General Meeting held on 19th September 2008.
- (h) Minutes of proceedings of General Meeting and meetings of Board and its committees.
- (i) Constitution of Board of Directors and appointment, retirement and re-appointment of directors;
- (j) Appointment of Chairman and Managing Director, Whole Time Directors and non-executive Directors and their remuneration.
- (k) The Directors disclosed their interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities and their disclosures have been noted and recorded by the Board.
- (l) Transfers and transmission of shares and issue and delivery of original and duplicate certificates of shares; dematerialization/rematerialization of shares;
- (m) Declaration and payment of dividend including interim dividend;
- (n) Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund;



- (o) Investment of Company's funds including inter corporate loans and investments.
 - (p) Appointment and remuneration of Auditors.
 - (q) Appointment of Cost Auditors under Section 233B of the Act.
 - (r) The Company made application to the Central Government seeking exemption from provisions of Section 212 of the Act in relation to its subsidiary companies for the year 2008-09. Approval of Central Government has been received vide letter No.47/477/2009-CL-III dated 1.7.2009.
 - (s) The Company wherever necessary has kept in abeyance rights to dividend declared at the Annual General Meeting held on 19th September, 2008 and interim dividend declared on 19.12.2008, pending registration of transfer of shares in compliance with the provisions of the Act.
 - (t) The Company has not invited/accepted any deposits falling within the purview of Section 58A of the Act during the financial year.
 - (u) The Company has not made any secured borrowings during the financial year ended on 31st March, 2009.
 - (v) The Company has not bought back any shares during the financial year.
 - (w) The Company has not altered any provisions of its Memorandum of Association or Articles of Association during the financial year.
 - (x) The Company has created a trust, namely, the ONGC Employees Contributory Provident Fund Trust for its employees. The Company has deposited both the employees' and employer's contribution with the above Trust within the prescribed time pursuant to Section 418 of the Act.
 - (y) There was no prosecution initiated against or show cause notice received by the Company and no fines or any other punishment was imposed on the Company, its Directors and officers during the financial year for any offences under the Act.
2. We further report that the Company has complied with the provisions of the Depositories Act, 1996 and Regulations framed there-under with regard to dematerialisation/rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
3. We further report that:
- (i) The Company has complied with the requirements of Equity Listing Agreements entered into with the Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd. except that the Board of Directors does not comprise of the required number of independent directors as per clause 49(I)(A) of the Listing Agreements.
 - (ii) The Company has complied with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 with regard to disclosures and maintenance of records required under the Regulations.
 - (iii) The Company has complied with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 with regard to disclosures and maintenance of records required under the Regulations.

For A.N.Kukreja & Co.
Company Secretaries.

(A.N.Kukreja)
Proprietor
CP No.2318

New Delhi
6 July, 2009

Details of the Subsidiary Companies

| | Name of Subsidiary Company | ONGC Videsh Ltd. | ONGC Nile Ganga B.V.* | | ONGC Narmada Limited | | ONGC Amazon Alaknanda Limited | | ONGC Campos Ltda. | | ONGC Do Brasil Explorancao Petrolif-era Ltda. | | ONGC Nile Ganga (Cyprus) Ltd. | | ONGC Nile Ganga (San Cristobal) B.V. | |
|-----|---|------------------|-----------------------|-------------------|----------------------|-------------------|-------------------------------|-------------------|-------------------|-------------------|---|-------------------|-------------------------------|-------------------|--------------------------------------|--|
| | | (Rs. in million) | (Rs. in million) | (US\$ in million) | (Rs. in million) | (US\$ in million) | (Rs. in million) | (US\$ in million) | (Rs. in million) | (US\$ in million) | (Rs. in million) | (US\$ in million) | (Rs. in million) | (US\$ in million) | (Rs. in million) | |
| (a) | Capital | 10,000.00 | 5.10 | 0.10 | 8.16 | 0.16 | 22,308.13 | 437.50 | 4,615.10 | 90.51 | 0.02 | - | 0.05 | - | 1.02 | |
| (b) | Reserves | 49,725.84 | 82,806.23 | 1,623.97 | (461.97) | (9.06) | 8,168.60 | 160.20 | (3,915.01) | (76.78) | - | - | (2.09) | (0.04) | 3,108.35 | |
| (c) | Total Assets | 293,615.53 | 116,333.18 | 2,281.49 | 693.97 | 13.61 | 32,543.86 | 638.24 | 11,087.27 | 217.44 | 0.02 | - | 0.15 | - | 20,504.61 | |
| (d) | Total Liabilities | 233,889.69 | 33,521.85 | 657.42 | 1,147.78 | 22.51 | 2,067.13 | 40.54 | 10,387.17 | 203.71 | - | - | 2.19 | 0.04 | 17,395.24 | |
| (e) | Details of Invest-ment (except in case of investment in the subsidiaries) | 1,359.84 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (f) | Turnover | 63,409.40 | 108,507.09 | 2,360.99 | - | - | 7,017.83 | 152.70 | - | - | - | - | - | - | 14,732.39 | |
| (g) | Profit before Taxation | 25,559.38 | 28,297.44 | 615.72 | (113.06) | (2.46) | 5,020.94 | 109.25 | (2,733.14) | (59.47) | - | - | (1.29) | (0.03) | 5,910.24 | |
| (h) | Provision for Taxation | 11,132.58 | 12,545.24 | 272.97 | - | - | 1,339.22 | 29.14 | (980.29) | (21.33) | - | - | - | - | 3,109.08 | |
| (i) | Profit after Taxation | 14,426.80 | 15,752.21 | 342.75 | (113.06) | (2.46) | 3,681.72 | 80.11 | (1,752.85) | (38.14) | - | - | (1.29) | (0.03) | 2,801.16 | |
| (j) | Proposed Dividend | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |

*Including figures in respect of Subsidiaries.

Exchange Rate

As on 31.03.2009

1 US\$ = Rs. 50.9900

Average Rate for 2008-09

1 US\$ = Rs. 45.9583

Note:

In view of exemption granted by the Central Government under Section 212(8) of the Companies Act, 1956, copies of the Balance Sheet, Profit and Loss Account, Report of Directors and Auditors of the Subsidiary Company are not attached to the Balance Sheet of the Company. The annual accounts of the subsidiary company and the related detailed information will be made available to the holding and subsidiary company investors, seeking such information at any point of time. The same are also available for inspection by any investor at the Registered Office of the Company as well as at the Registered Office of the Subsidiary.



| ONGC Nile Ganga (San Cristobal) B.V. | Jarpeno Ltd.* | | | Imperial Energy Corporation plc., | | Imperial Energy Limited | | Rus Imperial Corporation plc. | | Imperial Energy Finance (Jersey) Limited | | Rus Imperial Limited | | Imperial Energy Kostanai Limited | | Mangalore Refinery and Petrochemicals Limited |
|--------------------------------------|-------------------|------------------|-------------------|-----------------------------------|-------------------|-------------------------|-------------------|-------------------------------|-------------------|--|-------------------|----------------------|-------------------|----------------------------------|-------------------|---|
| | (US\$ in million) | (Rs. in million) | (US\$ in million) | (Rs. in million) | (US\$ in million) | (Rs. in million) | (US\$ in million) | (Rs. in million) | (US\$ in million) | (Rs. in million) | (US\$ in million) | (Rs. in million) | (US\$ in million) | (Rs. in million) | (US\$ in million) | (Rs. in million) |
| | 0.02 | 0.05 | - | 257.40 | 5.05 | - | - | 29.94 | 0.59 | - | - | 0.01 | - | - | - | 17,618.31 |
| | 60.96 | (5,957.16) | (116.83) | 46,544.99 | 912.83 | (510.92) | (10.02) | (4.92) | (0.10) | (0.96) | (0.02) | 29.90 | 0.59 | (10.06) | (0.20) | 29,675.68 |
| | 402.13 | 110,197.55 | 2,161.16 | 59,544.92 | 1,167.78 | 58,462.17 | 1,146.54 | 30.04 | 0.59 | 0.21 | - | 29.97 | 0.59 | 580.64 | 11.39 | 107,143.40 |
| | 341.15 | 116,154.66 | 2,277.99 | 12,742.53 | 249.90 | 58,973.09 | 1,156.56 | 5.02 | 0.10 | 1.18 | 0.02 | 0.07 | - | 590.70 | 11.58 | 107,143.40 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 6,428.93 |
| | 320.56 | 727.98 | 15.84 | - | - | - | - | - | - | - | - | - | - | - | - | 382,437.41 |
| | 128.60 | (1,741.36) | (37.89) | 161.59 | 3.52 | (102.67) | (2.23) | (0.03) | - | (0.03) | - | (0.02) | - | (0.49) | (0.01) | 18,116.57 |
| | 67.65 | 11.49 | 0.25 | - | - | - | - | - | - | - | - | - | - | - | - | 6,191.13 |
| | 60.95 | (1,752.85) | (38.14) | 161.59 | 3.52 | (102.67) | (2.23) | (0.03) | - | (0.03) | - | (0.02) | - | (0.49) | (0.01) | 11,925.44 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,103.49 |



Geophysicists at work inside seismic instrument Van



Auditors' Report

To the Members of Oil and Natural Gas Corporation Limited

1. We have audited the attached Balance Sheet of OIL AND NATURAL GAS CORPORATION LIMITED (the Company) as at 31st March, 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto in which are incorporated the Company's share in the total value of assets, liabilities, expenditure, income and net profit of 110 blocks under New Exploration Licensing Policy (NELPs) / Joint Venture (JVs) accounts for exploration and production out of which 36 NELPs/JVs accounts have been audited by one of the firms of statutory auditors, 55 NELPs /JVs accounts have been certified by other firms of Chartered Accountants and 19 NELPs/JVs as certified by the management (Refer Note 25.3.1 to 25.3.2 of Schedule 27 of the financial statements). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have placed reliance on technical/ commercial evaluation by the management in respect of categorization of wells as exploratory, development and producing, allocation of cost incurred on them, depletion of producing properties on the basis of the proved developed hydrocarbons reserves, liability for abandonment costs, liabilities under NELP for under performance against agreed Minimum Work Programme and allocation of depreciation on process platforms to transportation and facilities.
4. As required by the Statement on the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure (read with paragraph 1 above) a statement on the matters specified in paragraph 4 and 5 of the said Order.
5. Further to our comments referred to in paragraph 4 above we report as follows:
 - 5.1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - 5.2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - 5.3. The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;





Report Junction

A larger view of ONGC pavilion at Petrotech 2009 exhibition

- 5.4. In our opinion, the Profit and Loss Account, the Balance Sheet and the Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- 5.5. Disclosure in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 is not required as per notification number GSR 829(E) dated October 21, 2003 issued by the Department of Company Affairs.
- 5.6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes to account and in particular Notes 2.1 to 2.3 of Schedule 27 in respect of recognition of Sales Revenue of crude oil and natural gas, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - In the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date; and
 - In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For Kalyaniwalla & Mistry
Chartered Accountants

Ermin K. Irani
Partner (Mem. No. 35646)

For P.S.D. & Associates
Chartered Accountants

Manish Agarwal
Partner (Mem. No. 406996)

For Arun K. Agarwal & Associates
Chartered Accountants

Arun Agarwal
Partner (Mem. No. 82899)

For Padmanabhan Ramani & Ramanujam
Chartered Accountants

G. Vivekananthan
Partner (Mem. No. 28339)

For Singhi & Co.
Chartered Accountants

Nikhil Singhi
Partner (Mem.No. 61567)

New Delhi
24th June, 2009

Annexure to the Auditors' Report

(Referred to in paragraph 4 of our report of even date)

1. a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) The fixed assets, other than those which are underground/ submerged/ under joint venture, having substantial value have been physically verified by the management in phased manner. The reconciliation of physically verified assets with the book records is in progress. Discrepancies noticed on physical verification and consequential adjustments are carried out on completion of reconciliation. According to the information and explanations given by the management, in our opinion, the same is not material.
c) The Company has not disposed off a substantial part of fixed assets during the year.
2. a) The inventory has been physically verified in a phased manner (excluding inventory lying with third parties, at some of the site-locations, inventory with joint ventures and material in transit) during the year by the management. In our opinion, the frequency of verification is reasonable.
b) The procedures of physical verification of inventory followed by the management to the extent verified were generally reasonable and adequate in relation to the size of the Company and nature of its business.
c) The Company has generally maintained proper records of inventory except for recording of consumption at a few of its site-locations. In our opinion the discrepancies noticed on physical verification between the physical stock and book records were not material having regard to the size of the Company and nature of its business. In case where discrepancies noticed on physical verification have been identified with inventory records, necessary adjustments have been carried out in the books. In respect of cases where the reconciliation is not complete, the management has stated that the same would be adjusted in due course.
3. a) The Company has granted secured loans to five parties covered in the register maintained under section 301 of the Companies Act, 1956. The amount outstanding at the year end is Rs. 1.44 million and the maximum amount outstanding at any time during the year was Rs. 1.82 million.
b) The rate of interest and other terms and conditions of the loans granted are not prejudicial to the interest of the Company.
c) The payment of principal amount and interest are regular.
d) There is no overdue amount in respect of loans granted to the parties listed in the register maintained under section 301 of the Companies Act, 1956.
e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion, and according to the information and explanations given to us, the internal control procedures are generally adequate and commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
5. a) In our opinion and according to the information and explanations given to us, there is no contract or arrangement that need to be entered in the register required to be maintained pursuant of section 301 of the Companies Act, 1956.
b) Accordingly, the provisions of clause 4 (v) (b) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of costs maintained by the Company pursuant to the Rule made by the Central Government for the maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty, Cess (except Cess under Section 441A of the Companies Act, 1956 since the aforesaid section has not yet been made effective by the Central Government) and other material statutory dues applicable to it. There are no such material outstanding statutory dues accrued in accounts as of the last date of the financial year concerned for a period of more than six months from the date they became payable.



b) According to the information and explanations given to us, the disputed statutory dues are as under:

| Name of the statute | Nature of the dues | Amount (Rs. in million) | Period to which the amount relates (financial year) | Forum where dispute is pending |
|---|--|-------------------------|---|--|
| Income tax Act, 1961 | Income tax | 20,732.64 | 1996-2009 | ITAT/ CIT/ CIT(A), High Court, Supreme Court. |
| Central Excise Act, 1944 | Central excise duty/ Interest/ Penalty | 1,648.95 | 1981-2009 | CESTAT / Director of Central Excise / Commissioner / Asst. Comm. of Central Excise |
| The Customs Act, 1962 | Customs duty/Penalty/Interest | 4,710.21 | 1995-2009 | Supreme Court / High Court / CESTAT |
| Oilfields (Regulation & Development Act, 1948) / AP Mines and Geology Act | Royalty/Surface rent/ Interest/ Penalty | 372.78 | 1992-2009 | Director, Mines & Geology/Dept. of Geology and Mining, A.P. High Court |
| AP Mineral Bearing Lands (Infrastructure) Cess | Cess | 922.92 | 2005-2009 | Dept. of Geology and Mining, A.P. High Court |
| Oil Industries (Development) Act, 1974 | Cess/Interest | 15.6 | 2000-2009 | CEGAT/ Supdt. / Comm.(A), High Court |
| Central Sales Tax Act, 1956 and respective States' Sales Tax Act | Sales tax/Turnover Tax/ Penalty/Interest | 10,212.61 | 1977-2009 | Supreme Court / High Court / Tribunal / Asst. Comm / Dy. Comm./ Suptd. of Taxes / Commercial Tax Officer / STAT. |
| Municipal Corporation of Greater Mumbai Act (Octroi Rules, 1965) | Octroi Duty | 66.89 | 1992-2009 | Supreme Court |
| Assam Specified Land Taxation Act | Tax on Crude oil and Natural Gas | 1,646.66 | 2004-2009 | Guwahati High Court |

10. The Company has no accumulated losses at the end of the current financial year and has not incurred cash losses either during the year or during the immediately preceding financial year.
11. The Company has not issued any debentures and not defaulted in repayment of dues to financial institutions or banks.
12. In our opinion and according to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi mutual benefit fund/ society. Accordingly, the provision of clause (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion and according to the information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanation given to us, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company, since these guarantees are given for the subsidiary/ company promoted by the Company.
16. In our opinion, the term loans have been applied for the purpose for which they were raised.
17. On an overall examination of the balance sheet of the Company, we report that no funds raised on short terms basis have been used for long term investment.
18. The Company has not issued any preferential allotment of shares during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Kalyaniwalla & Mistry
Chartered Accountants
Ermin K. Irani
Partner (Mem. No. 35646)

For P.S.D. & Associates
Chartered Accountants
Manish Agarwal
Partner (Mem. No.406996)

For Arun K. Agarwal & Associates
Chartered Accountants
Arun Agarwal
Partner (Mem.No. 82899)

For Padmanabhan Ramani & Ramanujam
Chartered Accountants
G. Vivekananthan
Partner (Mem. No 28339)

For Singhi & Co.
Chartered Accountants
Nikhil Singhi
Partner (Mem.No. 61567)

New Delhi
24th June, 2009

Balance Sheet as at 31st March, 2009



(Rupees in million)

| | Schedule | As at 31 st March, 2009 | As at 31 st March, 2008 |
|--|----------|--|--|
| SOURCES OF FUNDS | | | |
| SHAREHOLDERS' FUNDS | | | |
| Share Capital | 1 | 21,388.87 | 21,388.87 |
| Resrves and Surplus | 2 | <u>765,965.28</u> | <u>684,785.12</u> |
| | | 787,354.15 | 706,173.99 |
| LOAN FUNDS | | | |
| Unsecured Loans | 3 | 267.35 | 369.42 |
| DEFERRED TAX LIABILITY (NET) | | 78,022.35 | 73,707.99 |
| LIABILITY FOR ABANDONMENT COST | | 160,089.65 | 124,457.67 |
| TOTAL | | <u>1,025,733.50</u> | <u>904,709.07</u> |
| APPLICATION OF FUNDS | | | |
| FIXED ASSETS | 4 | | |
| Gross Block | | 613,556.05 | 574,637.76 |
| Less: Depreciation and Impairment | | <u>509,412.32</u> | <u>469,457.68</u> |
| | | 104,143.73 | 105,180.08 |
| CAPITAL WORKS-IN-PROGRESS (NET) | 5 | <u>116,964.57</u> | <u>70,744.68</u> |
| NET BLOCK | | 221,108.30 | 175,924.76 |
| PRODUCING PROPERTIES | 6 | | |
| Gross Cost | | 757,297.13 | 657,547.27 |
| Less: Depletion and Impairment | | <u>395,717.19</u> | <u>355,673.65</u> |
| NET PRODUCING PROPERTIES | | 361,579.94 | 301,873.62 |
| EXPLORATORY/DEVELOPMENT WELLS-IN-PROGRESS (NET) | 7 | 50,687.37 | 38,927.99 |
| INVESTMENTS | 8 | 50,903.21 | 58,994.98 |
| CURRENT ASSETS, LOANS AND ADVANCES | | | |
| Inventories | 9 | 40,606.71 | 34,806.37 |
| Sundry Debtors | 10 | 40,838.04 | 43,603.66 |
| Cash and Bank Balances | 11A | 121,405.48 | 160,143.04 |
| Deposit with Scheduled Bank Under Site Restoration Fund Scheme | 11B | 69,556.64 | 64,033.51 |
| Other Current Assets | 12 | 13,548.86 | 13,277.70 |
| Loans and Advances | 13 | <u>260,043.83</u> | <u>182,467.09</u> |
| | | <u>545,999.56</u> | <u>498,331.37</u> |
| LESS: CURRENT LIABILITIES AND PROVISIONS | | | |
| Current Liabilities | 14 | 130,150.90 | 109,151.42 |
| Provisions | 15 | <u>80,900.08</u> | <u>66,931.25</u> |
| | | <u>211,050.98</u> | <u>176,082.67</u> |
| NET CURRENT ASSETS | | 334,948.58 | 322,248.70 |
| MISCELLANEOUS EXPENDITURE | 16 | 6,506.10 | 6,739.02 |
| (To the extent not written off or adjusted) | | | |
| TOTAL | | <u>1,025,733.50</u> | <u>904,709.07</u> |
| SIGNIFICANT ACCOUNTING POLICIES | 26 | | |
| NOTES TO ACCOUNTS | 27 | | |

Schedules referred to above form an integral part of the Balance Sheet

N.K. Sinha
Company Secretary

For and on behalf of Board
D.K. Sarraf
Director (Finance)

R.S.Sharma
Chairman & Managing Director

In terms of our report of even date attached

For Arun K. Agarwal & Associates
Chartered Accountants

Arun Agarwal
Partner (Mem. No. 82899)

For Kalayaniwalla & Mistry
Chartered Accountants

Ermin K. Irani
Partner (Mem. No. 35646)

New Delhi
June 24, 2009

For Singhi & Co.
Chartered Accountants

Nikhil Singhi
Partner (Mem. No. 61567)

For Padmanabhan, Ramani & Ramanujam
Chartered Accountants

G. Vivekananthan
Partner (Mem. No. 28339)

For P.S.D. & Associates
Chartered Accountants

Manish Agarwal
Partner (Mem. No. 406996)



Profit and Loss Account for the year ended 31st March, 2009

(Rupees in million)

| | Schedule | 2008-09 | 2007-08 |
|---|----------|-------------------|-------------------|
| INCOME | | | |
| Gross Sales | 17 | 639,681.90 | 601,370.23 |
| Less: Excise Duty | | 3,494.11 | 2,887.44 |
| Net Sales | | 636,187.79 | 598,482.79 |
| Other Income | 18 | 51,957.22 | 48,907.27 |
| | | <u>688,145.01</u> | <u>647,390.06</u> |
| EXPENDITURE | | | |
| (Increase)/ Decrease in stock | 19 | (811.02) | (1,141.09) |
| Purchases | | 85,166.03 | 65,115.31 |
| Production, Transportation, Selling and Distribution Expenditure | 20 | 232,438.87 | 230,215.67 |
| Depreciation, Depletion, Amortisation and Impairment | 21 | 119,541.97 | 98,196.21 |
| Financing Costs | 22 | 1,189.17 | 589.62 |
| Provisions and Write-offs (Net) | 23 | 11,665.77 | 2,067.33 |
| | | <u>449,190.79</u> | <u>395,043.05</u> |
| Profit before Tax, Prior Period and Extraordinary Items | | 238,954.22 | 252,347.01 |
| Adjustments relating to Prior Period (Net) | 24 | 195.37 | (1.10) |
| Extraordinary Items (Refer Note 6 of Sch-27) | | 657.73 | 0.00 |
| Profit before Tax | | 239,807.32 | 252,345.91 |
| Provision for Taxation | | | |
| - Current Tax (including Wealth Tax Rs. 20.00 million, Previous year Rs. 20.00 million) | | 79,070.00 | 80,120.00 |
| - For Earlier years | | (5,540.19) | (3,871.11) |
| - Deferred Tax | | 4,314.36 | 8,480.55 |
| - For Fringe Benefit Tax | | 700.00 | 600.00 |
| Profit after Taxation | | 161,263.15 | 167,016.47 |
| Surplus at the beginning | | 0.95 | 0.45 |
| BALANCE AVAILABLE FOR APPROPRIATION | | <u>161,264.10</u> | <u>167,016.92</u> |
| APPROPRIATIONS | | | |
| Proposed Dividend | | 29,944.22 | 29,944.22 |
| Tax on Proposed Dividend | | 5,089.02 | 5,089.02 |
| Interim Dividend | | 38,499.71 | 38,499.71 |
| Tax on Interim Dividend | | 6,543.02 | 6,543.02 |
| Transfer to General Reserve | | 81,188.00 | 86,940.00 |
| Balance carried to Balance Sheet | | 0.13 | 0.95 |
| | | <u>161,264.10</u> | <u>167,016.92</u> |
| Earnings per Equity Share - Basic and Diluted (Rs.) | 25 | | |
| (Face Value Rs. 10/-Per Share) | | | |
| - before extraordinary items (net of tax) | | 75.19 | 78.09 |
| - after extraordinary items | | 75.40 | 78.09 |
| SIGNIFICANT ACCOUNTING POLICIES | 26 | | |
| NOTES TO ACCOUNTS | 27 | | |

Schedules referred to above form an integral part of the Profit & Loss Accounts

N.K. Sinha
Company Secretary

For and on behalf of Board
D.K. Sarraf
Director (Finance)

R.S.Sharma
Chairman & Managing Director

In terms of our report of even date attached

For Arun K. Agarwal & Associates
Chartered Accountants

Arun Agarwal
Partner (Mem. No. 82899)

For Kalayaniwalla & Mistry
Chartered Accountants

Ermin K. Irani
Partner (Mem. No. 35646)

New Delhi
June 24, 2009

For Singhi & Co.
Chartered Accountants

Nikhil Singhi
Partner (Mem. No. 61567)

For Padmanabhan, Ramani & Ramanujam
Chartered Accountants

G. Vivekananthan
Partner (Mem. No. 28339)

For P.S.D. & Associates
Chartered Accountants

Manish Agarwal
Partner (Mem. No. 406996)

Schedule-1

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|--|--|--|
| (Rupees in million) | | |
| SHARE CAPITAL | | |
| Authorised: | | |
| 15000,000,000 Equity Shares of Rs. 10 each | <u>150,000.00</u> | <u>150,000.00</u> |
| Issued and Subscribed: | | |
| 2138,891,502 Equity Shares of Rs. 10 each | <u>21,388.92</u> | <u>21,388.92</u> |
| Paid up : | | |
| 2138,872,530 Equity Shares of Rs. 10 each | <u>21,388.73</u> | <u>21,388.73</u> |
| Add: Shares forfeited | <u>0.14</u> | <u>0.14</u> |
| TOTAL | <u>21,388.87</u> | <u>21,388.87</u> |

Notes: The above includes:

- (i) 342,853,716 Equity Shares issued as fully paid up to the President of India without payment being received in cash in terms of Oil and Natural Gas Commission (Transfer of Undertaking and Repeal) Act, 1993.
- (ii) 1,789,397,876 Equity Shares issued as fully paid up by way of bonus shares by capitalisation of General Reserve and Securities Premium.

Schedule-2

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|--|--|--|
| (Rupees in million) | | |
| RESERVES AND SURPLUS | | |
| Capital Reserve * | 159.44 | 159.44 |
| (As per last year Balance Sheet) | | |
| Deferred Government Grant | | |
| a) Opening Balance | 51.75 | 57.52 |
| b) Addition during the year | 0.00 | 6.14 |
| c) Less: Deduction during the year ** | <u>7.02</u> | <u>11.91</u> |
| | 44.73 | 51.75 |
| Securities Premium Account | 168.12 | 168.12 |
| (As per last year Balance Sheet) | | |
| Insurance Reserve | 2,500.00 | 2,500.00 |
| (As per last year Balance Sheet) | | |
| General Reserve | | |
| a) Opening Balance | 681,904.86 | 594,964.86 |
| b) Add: Transferred from Profit and Loss Account | <u>81,188.00</u> | <u>86,940.00</u> |
| | 763,092.86 | 681,904.86 |
| Profit and Loss Account | 0.13 | 0.95 |
| TOTAL | <u>765,965.28</u> | <u>684,785.12</u> |

* Represents assessed value of assets received as gift.

**Represents the amount equivalent to Depreciation transferred to Profit & Loss Account.



Schedule-3

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|----------------------------------|--|--|
| UNSECURED LOANS | | |
| Long Term | | |
| Foreign Currency Loans: | | |
| - From Banks | 267.35 | 369.42 |
| TOTAL | 267.35 | 369.42 |
| Repayable within one year | 213.85 | 164.17 |

Schedule-4

FIXED ASSETS

(Rupees in million)

| | GROSS BLOCK | | | | DEPRECIATION AND IMPAIRMENT | | | | | | NET BLOCK | |
|--|---|---------------------------------|--|---|---|-------------------|---------------|-----------------|--|--|---|---|
| | As at 1 st April, 2008 | Additions during the year | Deletions/ Adjust- ments during the year | As at 31 st March, 2009 | Up to 31 st March, 2008 | For the Year | | | Deletions/ Adjust- ments during the year | Upto 31 st March, 2009 | As at 31 st March, 2009 | As at 31 st March, 2008 |
| | | | | | | Deprecia- tion | Charged | Reversed | | | | |
| Land | | | | | | | | | | | | |
| i) Freehold | 1,941.99 | 193.75 | 1.58 | 2,134.16 | 37.80 | 0.00 | 0.02 | 18.15 | 0.00 | 19.67 | 2,114.49 | 1,904.19 |
| ii) Leasehold | 3,226.74 | 2,392.44 | 17.79 | 5,601.39 | 252.76 | 54.38 | 0.00 | 0.00 | 0.83 | 306.31 | 5,295.08 | 2,973.98 |
| Buildings and Bunk Houses | 11,237.77 | 653.77 | 80.39 | 11,811.15 | 6,381.27 | 434.42 | 15.31 | 167.79 | 24.92 | 6,638.29 | 5,172.86 | 4,856.50 |
| Railway Sidings | 89.95 | 0.00 | 0.00 | 89.95 | 80.78 | 1.28 | 0.00 | 0.00 | 0.00 | 82.06 | 7.89 | 9.17 |
| Plant and Machinery | 544,422.78 | 37,705.10 | 3,138.63 | 578,989.25 | 452,555.40 | 41,805.89 | 111.67 | 790.24 | 2,593.62 | 491,089.10 | 87,900.15 | 91,867.38 |
| Furniture and Fittings | 4,588.19 | 400.66 | 167.11 | 4,821.74 | 3,155.31 | 294.59 | 2.48 | 34.52 | 67.05 | 3,350.81 | 1,470.93 | 1,432.88 |
| Vehicles, Survey Ships, Crew Boats and Helicopters | 5,308.02 | 126.55 | 67.41 | 5,367.16 | 4,273.35 | 356.42 | 6.51 | 22.39 | 66.62 | 4,547.27 | 819.89 | 1,034.67 |
| | 570,815.44 | 41,472.27 | 3,472.91 | 608,814.80 | 466,736.67 | 42,946.98 | 135.99 | 1,033.09 | 2,753.04 | 506,033.51 | 102,781.29 | 104,078.77 |
| Intangibles - Software | 3,822.32 | 620.45 | (298.48) | 4,741.25 | 2,721.01 | 666.13 | 0.00 | 20.47 | (12.14) | 3,378.81 | 1,362.44 | 1,101.31 |
| TOTAL | 574,637.76 | 42,092.72 | 3,174.43 | 613,556.05 | 469,457.68 | 43,613.11 | 135.99 | 1,053.56 | 2,740.90 | 509,412.32 | 104,143.73 | 105,180.08 |
| Previous year | 520,380.67 | 56,327.74 | 2,070.65 | 574,637.76 | 431,989.53 | 39,233.75 | 45.75 | 15.27 | 1,796.08 | 469,457.68 | 105,180.08 | |
| The above includes the Corporation's share in Joint Venture Assets | 29,788.08 | 1,441.24 | 196.77 | 31,032.55 | 19,859.27 | 3,863.13 | 28.61 | 0.00 | 193.94 | 23,557.07 | 7,475.48 | |
| Previous year | 22,013.61 | 7,783.84 | 9.37 | 29,788.08 | 16,034.69 | 3,845.91 | 0.00 | 15.27 | 6.06 | 19,859.27 | 9,928.81 | |

Notes:

1. Land includes lands in respect of certain projects for which execution of lease/conveyance deeds are in process.
2. Registration of title deeds in respect of certain Buildings is pending execution.
3. Depreciation for the year includes Rs. 56.90 million taken to prior period (Previous year Rs. 76.10 million).

Schedule-5

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|--|--|--|
| CAPITAL WORKS-IN-PROGRESS | | |
| Buildings | 266.61 | 2,441.53 |
| Plant and Machinery | 115,105.37 | 67,410.69 |
| Advances for Capital Works and Progress Payments | 119.17 | 7.87 |
| Capital Stores (including in transit) | 1,847.39 | 1,346.34 |
| Less: Provision for Non-Moving Items | <u>141.11</u> | <u>56.60</u> |
| | 1,706.28 | 1,289.74 |
| TOTAL | <u>117,197.43</u> | <u>71,149.83</u> |
| Less: Impairment | | |
| Opening Balance | 405.15 | 559.00 |
| Provided for the year | 143.63 | 39.15 |
| Transfer to Fixed Assets | (276.64) | (160.10) |
| Write back of Impairment | (39.28) | 0.00 |
| Other adjustments | 0.00 | (32.90) |
| TOTAL | <u>232.86</u> | <u>405.15</u> |
| NET CAPITAL WORKS-IN-PROGRESS | <u>116,964.57</u> | <u>70,744.68</u> |

Schedule-6

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|---|--|--|
| PRODUCING PROPERTIES | | |
| Gross Cost | | |
| Opening Balance | 657,547.27 | 614,943.21 |
| Transfer from Exploratory Wells-in-Progress | 2,260.44 | 3,215.02 |
| Transfer from Development Wells-in-Progress | 42,916.86 | 44,705.69 |
| Depreciation on Facilities | 19,251.65 | 17,147.91 |
| Increase/(Decrease) in estimated Abandonment costs | 35,320.91 | (22,464.56) |
| TOTAL | <u>757,297.13</u> | <u>657,547.27</u> |
| Less: Depletion & Impairment | | |
| Opening Balance | 355,673.65 | 319,258.54 |
| Depletion for the year | 42,147.91 | 36,776.33 |
| Transfer of Impairment from Development Wells in Progress | 98.61 | 145.44 |
| Impairment provided for the year | 893.97 | 0.00 |
| Write back of Impairment | (3,096.95) | (506.51) |
| Other Adjustments | 0.00 | (0.15) |
| TOTAL | <u>395,717.19</u> | <u>355,673.65</u> |
| NET PRODUCING PROPERTIES | <u>361,579.94</u> | <u>301,873.62</u> |



Schedule-7

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|--|--|--|
| A) EXPLORATORY WELLS-IN-PROGRESS | | |
| Gross Cost | | |
| Opening Balance | 31,884.70 | 25,303.76 |
| Expenditure during the year | 43,964.68 | 26,195.50 |
| Less : Sale proceeds of Oil and Gas (Net of levies) | <u>47.31</u> | <u>13.63</u> |
| | 75,802.07 | 51,485.63 |
| Less : | | |
| Transfer to Producing Properties | 2,260.44 | 3,215.02 |
| Wells written off during the year | 33,019.92 | 16,060.38 |
| Other adjustments | <u>328.14</u> | <u>325.53</u> |
| | 40,193.57 | 31,884.70 |
| Less: Provision for Dry Wells (Refer Note 14 of Sch-27) | 8,465.19 | 6,104.80 |
| EXPLORATORY WELLS-IN-PROGRESS | <u>31,728.38</u> | <u>25,779.90</u> |
| B) DEVELOPMENT WELLS-IN-PROGRESS | | |
| Opening Balance | 13,408.31 | 9,107.88 |
| Expenditure during the year | 48,535.03 | 48,734.10 |
| Other adjustments | 0.00 | 272.02 |
| Less: Transfer to Producing Properties | <u>42,916.86</u> | <u>44,705.69</u> |
| TOTAL | 19,026.48 | 13,408.31 |
| Less: Impairment | | |
| Opening Balance | 260.22 | 405.66 |
| Transfer to Producing Properties | (98.61) | (145.44) |
| Provision for the year | 67.00 | 0.00 |
| Write back during the year | <u>(161.12)</u> | <u>0.00</u> |
| TOTAL | <u>67.49</u> | <u>260.22</u> |
| NET DEVELOPMENT WELLS-IN-PROGRESS | <u>18,958.99</u> | <u>13,148.09</u> |
| EXPLORATORY/DEVELOPMENT WELLS-IN-PROGRESS (A+B) | <u>50,687.37</u> | <u>38,927.99</u> |

Schedule-8

(Rupees in million)

| | No. of Shares/ Bonds/Units | Face Value per Share/ Bond/Unit (in Rupees) | As at 31 st March, 2009 | As at 31 st March, 2008 |
|---|----------------------------------|--|--|--|
| INVESTMENTS (AT COST) | | | | |
| LONG-TERM INVESTMENTS | | | | |
| (Fully Paid Up, unless otherwise stated) | | | | |
| A. TRADE INVESTMENTS | | | | |
| 1 Equity Shares (Quoted) | | | | |
| i) Indian Oil Corporation Limited | 106,453,095 | 10 | 13,720.49 | 13,720.49 |
| ii) GAIL (India) Limited | 61,259,323 | 10 | 2,451.06 | 2,451.06 |
| | (40,839,549) | | | |
| iii) Mangalore Refinery and Petrochemicals Ltd.(Subsidiary) | 1,255,354,097 | 10 | 10,405.73 | 10,405.73 |
| iv) Petronet LNG Limited | 93,750,000 | 10 | 987.50 | 987.50 |
| 2 Equity Shares (Unquoted) | | | | |
| i) Pawan Hans Helicopter Limited | 24,500 | 10,000 | 245.00 | 245.00 |
| ii) Petronet MHB Limited | 157,841,000 | 10 | 1,578.41 | 1,578.41 |
| iii) Oil Spill Response Limited | 100 | * | 0.01 | 0.01 |
| iv) In wholly owned subsidiary ONGC-Videsh Limited | 100,000,000 | 100 | 10,000.00 | 10,000.00 |
| v) Mangalore SEZ Limited | 13,000,000 | 10 | 130.00 | 2.59 |
| | (258,800) | | | |
| vi) ONGC Mangalore Petrochemicals Limited | 23,000 | 10 | 0.23 | 0.23 |
| vii) ONGC Petro Additions Limited | 20,967 | 10 | 0.21 | 0.21 |
| viii) ONGC Teri Biotech Limited | 24,990 | 10 | 0.25 | 0.25 |
| ix) ONGC Tripura Power Company Ltd. | | | | |
| - Fully Paid | 52,000 | 10 | 0.52 | 0.52 |
| - Partly Paid (Rs. 5 per share) | 267,438,000 | 10 | 1,337.19 | 0.00 |
| | (0) | | | |
| 3 Oil Companies Govt. of India Special Bonds (Unquoted) | | | | |
| i) 5% Oil Companies' Government of India Special Bonds 2009 | 0 | 10,000 | 0.00 | 2,576.00 |
| | (257,600) | | | |
| ii) 6.96% Government of India transferable Special Bonds 2009 | 0 | 10,000 | 0.00 | 6,980.37 |
| | (698,037) | | | |
| iii) 7% Government of India Special Bonds 2012 | 851,907 | 10,000 | 8,519.07 | 8,519.07 |
| iv) 8.40% Oil Companies' Government of India Special Bonds 2025 | 197,370 | 10,000 | 1,973.70 | 1,973.70 |
| TOTAL TRADE INVESTMENTS | | | 51,349.37 | 59,441.14 |
| Less: Provision for Diminution (Petronet MHB Ltd.) | | | 446.66 | 446.66 |
| | | | 50,902.71 | 58,994.48 |
| B. NON-TRADE INVESTMENTS (Unquoted) | | | | |
| 12% UP State Development Loan-2011 | 1 | 500,000 | 0.50 | 0.50 |
| TOTAL NON TRADE INVESTMENTS | | | 0.50 | 0.50 |
| GRAND TOTAL | | | 50,903.21 | 58,994.98 |
| Total Quoted Investments | | | 27,564.78 | 27,564.78 |
| Total Unquoted Investments | | | 23,338.43 | 31,430.20 |
| | | | 50,903.21 | 58,994.98 |
| Total Market value of Quoted Investments | | | 111,439.51 | 169,439.14 |

* UKP one each, total value Rs. 6,885/-
Figures in the () relate to previous year.



Schedule-9

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|--|--|--|
| INVENTORIES | | |
| Finished Goods | 5,587.71 | 4,776.69 |
| Raw Materials-Condensate | 19.52 | 0.00 |
| Stores and spare parts | | |
| - on hand | 34,252.58 | 31,276.95 |
| - in transit (including inter-project transfers) | <u>4,209.66</u> | <u>2,546.99</u> |
| | 38,462.24 | 33,823.94 |
| Less: Provision for Non-Moving Inventories and Materials in transit | <u>3,601.55</u> | <u>3,942.65</u> |
| | 34,860.69 | 29,881.29 |
| Unservicable Items | 138.79 | 148.39 |
| TOTAL | <u>40,606.71</u> | <u>34,806.37</u> |

Schedule-10

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|--|--|--|
| SUNDRY DEBTORS | | |
| (Unsecured, Considered Good unless otherwise stated) | | |
| Debts- Outstanding for a period exceeding six months : | | |
| - Considered Good | 1,324.25 | 2,522.00 |
| - Considered Doubtful | 3,131.81 | 2,987.99 |
| Other debts : | | |
| - Considered Good | 39,513.79 | 41,081.66 |
| - Considered Doubtful | <u>0.15</u> | <u>24.96</u> |
| | 43,970.00 | 46,616.61 |
| Less: Provision for Doubtful Debts | <u>3,131.96</u> | <u>3,012.95</u> |
| TOTAL | <u>40,838.04</u> | <u>43,603.66</u> |

Schedule-11

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|---|--|--|
| A) CASH AND BANK BALANCES | | |
| Cash balance on hand | 9.70 | 12.55 |
| Balances with Scheduled Banks in: | | |
| Current Accounts | 1,247.48 | 2,490.83 |
| Fixed Deposits | 119,790.71 | 157,450.83 |
| Balances with Non-Scheduled Banks in: | | |
| Current Account with Commerz Bank - Frankfurt (Maximum balance outstanding at any time during the year Rs. 2.97 million Previous year Rs. 3.17 million) | 0.00 | 2.97 |
| Current Account with Citi Bank- London (Maximum balance outstanding at any time during the year Rs. 465.73 million Previous year Rs. 179.06 million) | 241.79 | 179.06 |
| Current Account with Barclays Bank- London (Maximum balance outstanding at any time during the year Rs. 308.15 million Previous year Rs. 6.80 million) | 115.80 | 6.80 |
| Total | 121,405.48 | 160,143.04 |
| B) Deposit with Scheduled Bank Under Site Restoration Fund Scheme* | 69,556.64 | 64,033.51 |

* Deposited u/s 33ABA of the Income Tax Act, 1961 and can be withdrawn only for the purposes specified in the Scheme.

Schedule-12

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|--|--|--|
| OTHER CURRENT ASSETS | | |
| (Unsecured, Considered Good unless otherwise stated) | | |
| Interest Accrued On | | |
| - Investments | 37.98 | 42.20 |
| - Deposits with Banks/PSUs | 7,987.27 | 7,533.11 |
| - Others | | |
| - Considered Good | 5,491.21 | 5,679.46 |
| - Considered Doubtful | 1.32 | 1.34 |
| | 5,492.53 | 5,680.80 |
| Less: Provision | 1.32 | 1.34 |
| | 5,491.21 | 5,679.46 |
| Other Accounts pending adjustments | | |
| - Considered Good | 32.40 | 22.93 |
| - Considered Doubtful | 872.49 | 968.31 |
| | 904.89 | 991.24 |
| Less: Provision for Doubtful Accounts | 872.49 | 968.31 |
| | 32.40 | 22.93 |
| TOTAL | 13,548.86 | 13,277.70 |



Schedule-13

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|--|--|--|
| LOANS AND ADVANCES | | |
| Loans to Public Sector Undertakings and Other Bodies Corporate | 1,345.11 | 2,015.94 |
| Loans and Advances to Subsidiaries | 168,495.38 | 127,755.48 |
| Advances against Equity pending allotment | 7,469.89 | 3,543.43 |
| Loans and Advances to Employees* | 11,967.53 | 9,555.55 |
| Advances recoverable in cash or in kind or for value to be received | 22,094.60 | 12,132.23 |
| Recoverable from Petroleum Planning & Analysis Cell (PPAC) | 6.36 | 6.36 |
| Insurance Claims | 11.05 | 349.29 |
| Deposits: | | |
| a) With Customs/Port Trusts etc. | 31.67 | 36.39 |
| b) With Public Sector Undertakings | 20,000.00 | 0.00 |
| c) Others | 5,956.86 | 4,840.43 |
| | 237,378.45 | 160,235.10 |
| Less : Provision for Doubtful Claims/advances | 4,431.32 | 2,298.85 |
| | 232,947.13 | 157,936.25 |
| Income Tax : | | |
| Advance payment of Income Tax | 252,776.37 | 175,881.33 |
| (Including Advance payment of Wealth Tax Rs. 31.38 million Previous year Rs. 27.34 million) | | |
| Less: Provision | 225,679.67 | 151,350.49 |
| (Including provision for Wealth Tax Rs. 60.00 million. Previous year Rs. 71.00 million) | | |
| TOTAL | 260,043.83 | 182,467.09 |
| Particulars of loans and advances: | | |
| Secured | 5,898.86 | 6,449.64 |
| Unsecured - Considered Good | 254,144.97 | 176,017.45 |
| - Considered Doubtful | 4,431.32 | 2,298.85 |
| | 264,475.15 | 184,765.94 |
| Less : Considered Doubtful and provided for | 4,431.32 | 2,298.85 |
| TOTAL | 260,043.83 | 182,467.09 |

* Loans and advances to employees include an amount of Rs. 3.58 million (Previous Year Rs. 1.13 million) outstanding from whole time Directors. Maximum amount outstanding during the year Rs. 3.96 million(Previous Year Rs. 1.79 million).

Schedule-14

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|---|--|--|
| CURRENT LIABILITIES | | |
| Sundry Creditors for Supplies/Works | | |
| - Micro, Small & Medium Enterprises | 63.43 | 13.85 |
| - Subsidiaries | 4,562.75 | 5,506.95 |
| - Others | 64,594.92 | 44,233.35 |
| Liability for Royalty/Cess/Sales tax etc. | 10,797.21 | 13,698.71 |
| Deposits from Suppliers, Contractors. | 6,414.69 | 13,929.95 |
| Other Liabilities | 43,561.70 | 31,636.93 |
| Unclaimed Dividend * | 156.20 | 131.68 |
| TOTAL | 130,150.90 | 109,151.42 |

* No amount is due for payment to Investor Education and Protection Fund

Schedule-15

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|---|--|--|
| PROVISIONS | | |
| Gratuity | 10,101.90 | 9,311.50 |
| Leave | 13,426.64 | 10,961.58 |
| Post Retirement Medical & Terminal Benefits | 13,209.26 | 11,134.55 |
| Others (Refer Note 10 of Sch-27) | 9,129.04 | 490.38 |
| Proposed Dividend | 29,944.22 | 29,944.22 |
| Tax on Proposed Dividend | 5,089.02 | 5,089.02 |
| TOTAL | 80,900.08 | 66,931.25 |

Schedule-16

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|---|--|--|
| MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted) | | |
| Deferred Revenue Expenditure | | |
| Dry Docking Charges | 4,529.70 | 5,901.42 |
| Other Expenditure | 1,976.40 | 837.60 |
| TOTAL | 6,506.10 | 6,739.02 |



Schedule-17

(Rupees in million)

| | For the Year 2008-09 | For the Year 2007-08 |
|---|--------------------------|--------------------------|
| SALES | | |
| Sales | 660,506.96 | 617,352.04 |
| Less : | | |
| Transfer to Exploratory Wells in Progress | 67.07 | 16.30 |
| Government of India's (GOI's) share in Profit Petroleum | <u>20,757.99</u> | <u>15,965.51</u> |
| | 20,825.06 | 15,981.81 |
| TOTAL | <u>639,681.90</u> | <u>601,370.23</u> |

Schedule-18

(Rupees in million)

| | For the Year 2008-09 | For the Year 2007-08 |
|---|-------------------------|-------------------------|
| OTHER INCOME | | |
| Contractual Short Lifted Gas Receipts | 189.67 | 49.98 |
| Pipeline Transportation Receipts | 2,329.18 | 1,521.57 |
| Surplus from Gas Pool Account | 0.00 | 885.22 |
| Other Contractual Receipts | 1,411.68 | 1,773.01 |
| Income from Trade Investments : | | |
| Dividend on Long term Investments | | |
| - From subsidiaries | 1,506.42 | 1,004.28 |
| - Others | <u>1,216.19</u> | <u>1,819.62</u> |
| | 2,722.61 | 2,823.90 |
| Interest on Long Term Investments | <u>1,372.55</u> | <u>1,212.35</u> |
| | 4,095.16 | 4,036.25 |
| Income from Non Trade Investments : | | |
| Interest on Long Term Investments | 0.06 | 0.06 |
| Dividend on Current Investments | 233.47 | 57.25 |
| Interest Income on : | | |
| Deposits with Banks/PSUs (Tax deducted at source Rs. 4,948.08 million Previous year Rs.4,114.24 million) | 22,271.69 | 16,969.39 |
| Loans and Advances to Subsidiaries (Tax deducted at source Rs. 1,734.43 million Previous year Rs. 1,910.64 million) | 7,654.13 | 8,431.76 |
| Loans and Advances to Employees | 304.67 | 312.75 |
| Income Tax Refund | 791.08 | 787.67 |
| Site Restoration Fund Deposit | 5,503.72 | 4,930.65 |
| Delayed Payment from Customers and Others (Tax deducted at source Rs. 26.19 million Previous year Rs. 85.04 million) | <u>650.34</u> | <u>599.32</u> |
| | 37,175.63 | 32,031.54 |
| Excess Provisions written back | 714.46 | 954.97 |
| Liabilities no longer required written back | 1,456.76 | 1,247.54 |
| Miscellaneous Receipts | 4,351.15 | 6,349.88 |
| TOTAL | <u>51,957.22</u> | <u>48,907.27</u> |

Schedule-19

(Rupees in million)

| | For the Year 2008-09 | For the Year 2007-08 |
|--|-------------------------|-------------------------|
| (INCREASE)/DECREASE IN STOCK (FINISHED GOODS) | | |
| Closing Stock | 5,587.71 | 4,776.69 |
| Opening Stock | 4,776.69 | 3,635.60 |
| NET (INCREASE)/DECREASE IN STOCK | <u>(811.02)</u> | <u>(1,141.09)</u> |

Schedule-20

(Rupees in million)

| | For the Year 2008-09 | For the Year 2007-08 |
|---|-------------------------|-------------------------|
| PRODUCTION, TRANSPORTATION, SELLING AND DISTRIBUTION EXPENDITURE | | |
| Royalty | 44,906.57 | 60,692.11 |
| Cess | 55,788.35 | 58,214.57 |
| Natural Calamity Contingent Duty | 1,081.40 | 1,126.62 |
| Excise Duty on stock (Net) | (108.39) | 3.29 |
| Sales Tax | 6,925.78 | 772.10 |
| Service Tax | 256.52 | 199.65 |
| Education cess | 1,795.54 | 1,861.09 |
| Octroi and Port Trust Charges | 4,129.85 | 4,194.78 |
| Staff Expenditure | 8,886.34 | 11,455.16 |
| Workover Operations | 26,226.11 | 16,448.48 |
| Water Injection, Desalting and Demulsification | 8,608.44 | 7,085.74 |
| Consumption of Raw materials, Stores and Spares | 7,681.49 | 6,816.83 |
| Pollution Control | 3,748.73 | 2,900.02 |
| Transport Expenses | 3,070.62 | 3,251.36 |
| Insurance | 816.56 | 896.70 |
| Power and Fuel | 1,408.46 | 1,874.34 |
| Repairs and Maintenance | 5,601.94 | 9,415.99 |
| Contractual payments including Hire charges etc. | 6,371.54 | 5,772.27 |
| Other Production Expenditure | 5,277.22 | 3,097.96 |
| Transportation and Freight of Products | 6,962.66 | 7,317.71 |
| Research and Development | 1,574.44 | 1,753.32 |
| General Administrative Expenses | 17,033.62 | 21,603.43 |
| Exchange Variation (Net) | 3,819.04 | (1,069.44) |
| Other Expenditure | 10,576.04 | 4,531.59 |
| TOTAL | <u>232,438.87</u> | <u>230,215.67</u> |

Note: The above expenses have been classified in accordance with Part II of Schedule VI to the Companies Act, 1956 and exhibited in note 30 of Schedule 27.



Schedule-21

(Rupees in million)

| | For the Year 2008-09 | For the Year 2007-08 |
|---|-------------------------|-------------------------|
| DEPRECIATION, DEPLETION, AMORTISATION AND IMPAIRMENT | | |
| Survey | 32,560.64 | 25,760.80 |
| Wells written off | 33,509.44 | 22,111.85 |
| Depletion | 42,147.91 | 36,776.33 |
| Depreciation | 43,556.21 | 39,157.65 |
| Less : Allocated to : | | |
| Survey | 1,554.72 | 1,028.66 |
| Exploratory Drilling | 3,005.45 | 2,150.52 |
| Development Drilling | 5,173.61 | 4,776.24 |
| Depreciation on Facilities | 19,251.65 | 17,147.91 |
| Others | 136.48 | 70.21 |
| | 29,121.91 | 25,173.54 |
| | 14,434.30 | 13,984.11 |
| Impairment Loss | | |
| During the year | 1,240.59 | 84.90 |
| Less: Reversal during the year | 4,350.91 | 521.78 |
| | (3,110.32) | (436.88) |
| TOTAL | 119,541.97 | 98,196.21 |

Schedule-22

(Rupees in million)

| | For the Year 2008-09 | For the Year 2007-08 |
|---------------------------------------|-------------------------|-------------------------|
| FINANCING COSTS | | |
| INTEREST | | |
| i) On Fixed Loans | | |
| - From Oil Industry Development Board | 0.00 | 4.53 |
| - Foreign Currency Loans | 9.97 | 12.24 |
| ii) On Cash Credit | 57.13 | 139.32 |
| iii) Others | 1,122.07 | 433.53 |
| TOTAL | 1,189.17 | 589.62 |

Schedule-23

(Rupees in million)

| | For the Year 2008-09 | For the Year 2007-08 |
|---|-------------------------|-------------------------|
| PROVISIONS AND WRITE-OFFS | | |
| PROVISIONS | | |
| For Doubtful Debts | 155.72 | 328.37 |
| For Doubtful Claims/Advances | 2,154.78 | 185.24 |
| For Non-Moving Inventory | 41.54 | 402.99 |
| For Others (Refer Note 11 of Sch-27) | 8,778.72 | 164.09 |
| Sub-Total | 11,130.76 | 1,080.69 |
| WRITE-OFFS | | |
| Disposal/Condemnation of Fixed Assets (Net) | 87.61 | 40.22 |
| Claims/Advances | 7.60 | 87.46 |
| Less: Provisions | 4.70 | 73.86 |
| | 2.90 | 13.60 |
| Inventory | 225.17 | 135.31 |
| Bad debts | 0.00 | 592.19 |
| Others | 219.33 | 205.32 |
| Sub-Total | 535.01 | 986.64 |
| TOTAL | 11,665.77 | 2,067.33 |

Schedule-24

(Rupees in million)

| | For the Year 2008-09 | For the Year 2007-08 |
|---|-------------------------|-------------------------|
| ADJUSTMENTS RELATING TO PRIOR PERIOD (NET) | | |
| A. EXPENDITURE | | |
| Statutory levies * | 0.23 | 15.51 |
| Other production, selling & distribution expenditure * (Refer Note 18 of Sch-27) | (1,955.39) | 334.68 |
| Interest -Others | 0.46 | 0.16 |
| Survey | (620.58) | (346.40) |
| Dry Wells | 1,870.87 | 53.33 |
| Depreciation | 56.90 | 76.10 |
| Sub-Total | (647.51) | 133.38 |
| B. INCOME | | |
| Sales | (189.51) | 2.41 |
| Other Income | (262.63) | 129.87 |
| Sub-Total | (452.14) | 132.28 |
| TOTAL | (195.37) | 1.10 |

* The above expenses have been classified in accordance with Part II of Schedule VI to the Companies Act, 1956 and exhibited in note 30 of Schedule 27.



Schedule-25

(Rupees in million)

| | For the Year 2008-09 | For the Year 2007-08 |
|---|-------------------------|-------------------------|
| EARNINGS PER EQUITY SHARE | | |
| A) Net Profit after Tax | 161,263.15 | 167,016.47 |
| Less: | | |
| B) Extraordinary items | 657.73 | - |
| C) Tax impact on Extraordinary items | (223.56) | - |
| D) Net Profit before Extraordinary items (net of tax) | <u>160,828.98</u> | <u>167,016.47</u> |
| E) Number of Shares | 2,138,872,530 | 2,138,872,530 |

(Amount in Rupees)

| | For the Year 2008-09 | For the Year 2007-08 |
|--|-------------------------|-------------------------|
| Basic & Diluted earnings per equity share | | |
| - Before extraordinary items (net of tax)- (D/E) | 75.19 | 78.09 |
| - After extraordinary items- (A/E) | 75.40 | 78.09 |



Schedule-26 | Significant Accounting Policies

1. Accounting Conventions

The financial statements are prepared under the historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP), applying the Successful Efforts Method as per the Guidance Note on Accounting for Oil and Gas Producing Activities issued by the Institute of Chartered Accountants of India and Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006 and provisions of the Companies Act, 1956.

2. Use of Estimates

The preparation of financial statements requires estimates and assumptions which affect the reported amount of assets, liabilities, revenues and expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

3. Government Grants

Government grants for acquisition of fixed assets are initially treated as Capital Reserve and are subsequently recognized as income in the Profit & Loss Statement on a systematic basis over the useful life of the assets in the proportion in which depreciation on those assets is charged.

4. Fixed Assets

4.1 Fixed assets are stated at historical cost less accumulated depreciation and impairment. Fixed assets received as donations/gifts are capitalised at assessed values with corresponding credit taken to Capital Reserve.

4.2 All costs relating to acquisition of fixed assets till the time of commissioning of such assets are capitalised.

5. Intangible Assets

Costs incurred on intangible assets, resulting in future economic benefits are capitalized as intangible assets and amortized on written down value method beginning from the date of capitalization.

6. Exploration, Development and Production Costs

6.1 Acquisition Cost

Acquisition cost of an oil and gas property in exploration/development stage is taken to acquisition cost under the respective category. Such costs are capitalized by transferring to Producing Property when it is ready to commence commercial production. In case of abandonment, such costs are expensed. Acquisition cost of a producing oil and gas property is capitalized as Producing Property.

6.2 Survey Cost

Cost of Survey and prospecting activities conducted in the search of oil and gas are expensed in the year in which these are incurred.

6.3 Exploratory/ Development Wells in Progress

6.3.1 All acquisition costs, exploration costs involved in drilling and equipping exploratory and appraisal wells, cost of drilling exploratory type stratigraphic test wells are initially capitalised as Exploratory Wells in Progress till the time these are either transferred to Producing Properties on completion as per policy no. 6.4.1 or expensed in the year when determined to be dry or of no further use, as the case may be.

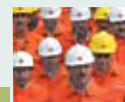
6.3.2 All wells under "Exploratory Wells in Progress" which are more than two years old from the date of completion of drilling are charged to Profit and Loss Account except those wells where it could be reasonably demonstrated that the well has proved reserves and the development of the field in which the wells are located has been planned.

6.3.3 All costs relating to Development Wells are initially capitalized as Development Wells in Progress and transferred to Producing Properties on completion as per policy no. 6.4.1

6.4 Producing Properties

6.4.1 Producing Properties are created in respect of an area/field having proved developed oil and gas reserves, when the well in the area/field is ready to commence commercial production.

6.4.2 Cost of temporary occupation of land, successful exploratory wells, all development wells, depreciation on related equipment, facilities and estimated future abandonment costs are capitalised and reflected as Producing Properties.



6.4.3 Depletion of Producing Properties

Producing Properties are depleted using the "Unit of Production Method". The rate of depletion is computed with reference to an area covered by individual lease/licence/asset/amortization base by considering the proved developed reserves and related capital costs incurred including estimated future abandonment costs. In case of acquisition, cost of Producing Properties is depleted by considering the proved reserves. These reserves are estimated annually by the Reserve Estimates Committee of the Company, which follows the International Reservoir Engineering Procedures.

6.5 Production Costs

Production costs include pre-well head and post well head expenses including depreciation and applicable operating costs of support equipment and facilities.

6.6 Side tracking

- 6.6.1 The cost of abandoned portion of side tracked exploratory wells is charged to Profit and Loss Account as dry wells.
- 6.6.2 The cost of abandoned portion of side tracked development wells is considered as part of cost of development wells.
- 6.6.3 The cost of sidetracking in respect of existing producing wells is capitalized if it increases the proved developed reserves otherwise, charged to Profit and Loss Account as workover expenditure.

7. Impairment

Producing Properties, Development Wells in Progress (DWIP) and Fixed Assets (incl. Capital Works in Progress) of a "Cash Generating Unit" (CGU) are reviewed for impairment at each Balance Sheet date. In case, events and circumstances indicate any impairment, recoverable amount of these assets is determined. An impairment loss is recognized, whenever the carrying amount of such assets exceeds the recoverable amount. The recoverable amount is its 'value in use' or 'net selling price' (if determinable) whichever is higher. In assessing value in use, the estimated future cash flows from the use of assets and from its disposal at the end of its useful life are discounted to their present value at appropriate rate.

An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss / reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU, is allocated to its assets on a pro-rata basis. Subsequent to impairment, depreciation is provided on the revised carrying value of the assets over the remaining useful life.

8. Abandonment Cost

- 8.1 The full eventual estimated liability towards costs relating to dismantling, abandoning and restoring offshore well sites and allied facilities is recognized at the initial stage as cost of producing property and liability for abandonment cost is updated based on the technical assessment available at current costs with the Company.
- 8.2 Cost relating to dismantling, abandoning and restoring onshore well sites and allied facilities are accounted for in the year in which such costs are incurred as the salvage value is expected to take care of the abandonment costs.

9. Joint Ventures

The Company has Joint Ventures in the nature of Production Sharing Contracts (PSC) with the Government of India and various bodies corporate for exploration, development and production activities.

- 9.1 The income, expenditure, assets and liabilities of the Jointly Controlled Assets are merged on line by line basis according to the participating interest with the similar items in the Financial Statements of the Company and adjusted for depreciation, depletion, survey, dry wells, abandonment, impairment and sidetracking in accordance with the accounting policies of the Company.
- 9.2 Past cost compensation and consideration for the right to commence operations received from other Joint Venture Partners are reduced from capitalised costs. The uncompensated cost continues in the Company's books as producing property/ exploratory wells in progress.
- 9.3 The hydrocarbon reserves in such areas are taken in proportion to the participating interest of the Company.

10. Investments

Long-term investments are valued at cost. Provision is made for any diminution, other than temporary, in the value of such investments.

Current Investments are valued at lower of cost and fair value.

11. Inventories

- 11.1 Finished goods (other than Sulphur) and stock in pipelines/tanks are valued at Cost or net realisable value whichever is lower. Cost of Finished goods is determined on absorption costing method. Sulphur is valued at net realisable value. The value of inventories includes excise duty, royalty (wherever applicable) but excludes cess.
- 11.2 Crude oil in unfinished condition in flow lines upto Group Gathering Stations/platform and Natural Gas in Pipelines are not valued.
- 11.3 Inventory of stores and spare parts is valued at Weighted Average Cost or net realisable value whichever is lower. Provisions are made for obsolete and non moving inventories.
- 11.4 Unserviceable items, when determined, are valued at estimated net realizable value.

12. Revenue Recognition

- 12.1 Revenue from sale of products is recognized on transfer of custody to customers.
- 12.2 Sale of crude oil and gas produced from Exploratory Wells in Progress is deducted from expenditure on such wells.
- 12.3 Sales are inclusive of all statutory levies except Value Added Tax (VAT). Any retrospective revision in prices is accounted for in the year of such revision.
- 12.4 Revenue in respect of the following is recognized when there is reasonable certainty regarding ultimate collection:
 - a. Short lifted quantity of gas.
 - b. Gas pipeline transportation charges and statutory duties thereon.
 - c. Reimbursable subsidies and grants.
 - d. Interest on delayed realization from customers
 - e. Liquidated damages from contractors/suppliers

13. Depreciation and Amortisation

- 13.1 Depreciation on fixed assets is provided for under the written down value method in accordance with the rates specified in Schedule XIV to the Companies Act, 1956.
- 13.2 Depreciation on additions/deletions during the year is provided on pro rata basis with reference to the date of additions/deletions except items of Plant and Machinery used in wells with 100% rate of depreciation and low value items not exceeding Rs.5000/- which are fully depreciated at the time of addition.
- 13.3 Depreciation on subsequent expenditure on fixed assets arising on account of capital improvement or other factors, is provided for prospectively.
Depreciation on refurbished/revamped assets which are capitalized separately is provided for over the reassessed useful life at rates which are not less than the rates specified in Schedule XIV to the Companies Act, 1956.
- 13.4 Depreciation on fixed assets (including support equipment and facilities) used for exploration, drilling activities and on related equipment and facilities is initially capitalised as part of exploration cost, development cost or producing properties and expensed/depleted as stated in policy 6 above.
- 13.5 Leasehold land is amortised over the lease period except perpetual leases.
- 13.6 Software is amortized @ 40% on written down value method.

14. Foreign Exchange Transactions

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of the transaction. Foreign currency monetary assets and liabilities at the year end are translated using mean exchange rate prevailing on the last day of the financial year. The loss or gain thereon and also the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense and adjusted to the profit and loss account except where such liabilities and /or transactions relate to fixed assets/ projects and these were incurred/ entered into before 1.4.2004 in which case, these are adjusted to the cost of respective fixed assets.

15. Employee Benefits

- 15.1 All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.
- 15.2 Employee Benefit under defined contribution plan comprising provident fund is recognized based on the undiscounted obligations of the company to contribute to the plan. The same is paid to a fund administered through a separate trust.
- 15.3 Employee benefits under defined benefit plans comprising of gratuity, leave encashment, compensated absences, post retirement medical benefits and other terminal benefits are recognized based on the present value of defined benefit obligation, which is computed on the basis of actuarial valuation using the Projected Unit Credit Method. Actuarial Liability in excess of respective plan assets is recognized during the year.



15.4 Provision for gratuity as per actuarial valuation is funded with a separate trust.

16. Voluntary Retirement Scheme

Expenditure on Voluntary Retirement Scheme (VRS) is charged to Profit and Loss Account.

17. General Administrative Expenses

General administrative expenses which are identifiable to Assets, Basins & Services are allocated to activities and the balance are charged to Profit and Loss Account. Such expenses at Headquarters are charged to Profit and Loss Account.

18. Insurance claims

The company accounts for insurance claims as under :

- 18.1 In case of total loss of asset by transferring, either the carrying cost of the relevant asset or insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable-Insurance" on intimation to Insurer. In case insurance claim is less than carrying cost, the difference is charged to Profit and Loss Account.
- 18.2 In case of partial or other losses, expenditure incurred/payments made to put such assets back into use, to meet third party or other liabilities (less policy deductibles) if any, are accounted for as "Claims Recoverable-Insurance". Insurance Policy deductibles are expensed in the year the corresponding expenditure is incurred.
- 18.3 As and when claims are finally received from insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is adjusted to Profit and Loss Account.

19. Research Expenditure

Revenue expenses on Research are charged to Profit and Loss Account, when incurred.

20. Taxes on Income

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Deferred Tax Liability / Asset resulting from 'timing difference' between book and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

21. Borrowing Costs

Borrowing Cost specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Profit and Loss Account.

22. Rig Days Costs

Rig movement costs are booked to the next location planned for drilling. Abnormal Rig days' costs are considered as unallocable and charged to Profit and Loss Account.

23. Deferred Revenue Expenditure

Dry docking charges of Rigs/ Multipurpose Supply Vessels (MSVs), Geo Technical Vessels (GTVs), Well Stimulation Vessels, Offshore Supply Vessels (OSVs), Rig/equipment mobilization expenses and other related expenditure are considered as deferred expenditure and amortized over the period of use not exceeding five years.

24. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent liabilities, if material, are disclosed by way of notes to accounts.

Schedule-27

Notes to Accounts

1. In terms of the decision of Government of India (GoI), the Company has shared under recoveries of Oil Marketing Companies (OMCs) for the year 2008-09 by allowing discount in the prices of Crude Oil, PDS Kerosene and domestic LPG based on provisional rates of discount communicated by Petroleum Planning and Analysis Cell, Ministry of Petroleum & Natural Gas (MoP&NG). The Company does not foresee any material impact on finalization of discount rates. The impact of discount is as under:

(Rs. in million)

| Decrease in | For the year ended | |
|-----------------------------|--------------------|------------|
| | 31.03.2009 | 31.03.2008 |
| Gross Revenue | 282,252.09 | 220,008.79 |
| Less: Value Added Tax (VAT) | 7,373.66 | 7,839.19 |
| Net Sales Revenue | 274,878.43 | 212,169.60 |
| Less: Statutory Levies | 35,549.26 | 11,577.19 |
| Profit Before Tax | 239,329.17 | 200,592.41 |

- 2.1 Sales revenue in respect of Crude Oil is based on the pricing formula agreed with the customers for the period from 01.04.2002 to 31.03.2004. Pending finalization of fresh Memorandum of Understanding/Crude Oil Sale Agreement (COSA) with the customers, the same pricing formula has been provisionally applied from 01.04.2004 onwards.
- 2.2 Sales revenue in respect of Natural Gas under Administered Price Mechanism (APM) is based on the gas prices fixed on provisional basis as per directives dated 20.06.2005 and 05.06.2006 of the GoI, MoP&NG.
- 2.3 Adjustments, if any, on account of para 2.1 and 2.2 above shall be carried out on finalization of agreement/directives. However, the Company does not foresee any material impact on current year's results.
3. Sales revenue and Purchases include Rs.85,197.56 million (Previous Year Rs. 65,168.60 million) and Rs.85,166.03 million (Previous Year Rs. 65,115.31 million) respectively on account of trading of products of Mangalore Refinery and Petrochemicals Limited (MRPL), a subsidiary of the Company.
4. The Company was paying Royalty on onshore crude oil at pre-discount prices till 2007-08. The Company had represented to MoP&NG for payment of Royalty on onshore crude oil at post-discount prices. MoP&NG issued a communication during the year to pay Royalty on onshore crude oil at post-discount prices. Accordingly, royalty on onshore crude oil has been accounted for at post-discount prices w.e.f. 01.04.2008. As a result, royalty on crude oil is lower and corresponding profit before tax is higher by Rs. 17,778.38 million.
5. Gas compression charges of Rs. 127.56 million for the year 2008-09 in terms of Gas Sale Agreement have not been accounted for as income due to uncertainty in ultimate collection.
6. Extra-ordinary items Rs. 657.73 million are on account of full and final settlement of Insurance Claim in respect of flood damage compensation for Hazira Gas Complex (during August, 2006) after adjustment of net book value of damaged assets.
7. The Company had not been valuing crude oil in Group Gathering Stations (GGS) and flow lines from GGS to Central Tank Farm (CTF) till 2007-08. During the year, the policy was reviewed and the Company decided to value the crude oil quantity in GGS and in flow lines from GGS to CTF. Due to this change, there is an increase in inventory of crude oil of 40,938 MT as on 31.03.2009. This has resulted in increase in inventory as on 31.03.2009 by Rs. 144.88 million with corresponding increase in profit before tax.

8. Capital Commitment not provided for:

- Estimated amount of contracts remaining to be executed on capital account:
 - In respect of Company - Rs. 112,871.64 million (Previous year Rs. 78,903.63 million).
 - In respect of Joint Ventures - Rs. 3,026.16 million (Previous year Rs. 6,886.90 million).
- Minimum Work Programme committed under various Production Sharing Contracts with Government of India:
 - In respect of NELP blocks in which the Company has 100% participating interest – Rs. 21,016.72 million (Previous year Rs. 32,773.98 million).
 - In respect of others - Rs. 51,675.97 million (Previous year Rs. 40,545.16 million).



9. Contingent Liabilities:

a) Claims against the Company/ disputed demands not acknowledged as debt:

(Rs. in million)

| | | As at 31 st March, 2009 | As at 31 st March, 2008 |
|-----------|--|---------------------------------------|---------------------------------------|
| I | In respect of Company | | |
| i. | Income Tax | 20,723.73 | 38,962.90 |
| ii. | Excise Duty | 1,648.95 | 3,195.75 |
| iii. | Custom Duty | 1,447.47 | 1,437.48 |
| iv. | Royalty | 360.39 | 360.39 |
| v. | Cess | 4.92 | 0.22 |
| vi. | AP Mineral Bearing Lands (Infrastructure) Cess | 922.92 | 726.96 |
| vii. | Sales Tax | 7,271.46 | 799.09 |
| viii. | Octroi | 66.89 | 66.89 |
| ix. | Specified Land Tax (Assam) | 1,646.06 | 1,354.36 |
| x. | Claims of contractors in Arbitration / Court | 62,796.57 | 50,817.26 |
| xi. | Others | 5,038.78 | 5,913.95 |
| | Sub Total (A) | 101,928.14 | 103,635.25 |
| II | In respect of Joint Ventures | | |
| i. | Income Tax | 8.91 | 8.91 |
| ii. | Custom Duty | 3,262.74 | 5,185.11 |
| iii. | Royalty | 12.39 | 21.04 |
| iv. | Cess | 10.64 | 8.71 |
| v. | Sales Tax | 2,941.15 | 2,028.79 |
| vi. | Claim of GOI for additional Profit Petroleum | 0.00 | 4,531.52 |
| vii. | Claims of contractors in Arbitration / Court | 471.74 | 0.00 |
| viii. | Others | 550.41 | 737.61 |
| | Sub Total (B) | 7257.98 | 12,521.69 |
| | TOTAL (A + B) | 109,186.12 | 116,156.94 |

The above claims / demands are at various stages of appeal and in the opinion of the Company are not tenable.

b) Bank Guarantees given by the Company:

- (i) Rs. 1,542.65 million (Previous year Rs. 1,175.08 million) including Rs. 1,495.11 million (Previous year Rs. 1,154.13 million) for NELP Blocks where the Company has 100% participating interest.
- (ii) In respect of Joint Ventures – Rs. 4,947.94 million (Previous year Rs. 1,697.51 million).

c) Corporate Guarantees executed by the Company on behalf of its wholly owned subsidiary, ONGC Videsh Limited (OVL) and ONGC Nile Ganga BV (wholly owned subsidiary of OVL):

A. Guarantees executed for financial obligations:

- (i) Amount of Guarantee Rs. 57,062.28 million (Previous year Rs. 32,233.25 million)
- (ii) Amount Outstanding Rs. 56,447.65 million (Previous year Rs. 3,082.86 million)

B. Performance Guarantees executed under the contracts:

Guarantee in respect of Sakhalin Project in favour of Exxonnetgas Ltd., M/s. Roseneft-S, SMNG-S and RN-Astra towards performance of Company's obligation under Joint Operating Agreement without any financial ceiling.

d) Corporate Guarantees executed by the Company on behalf of its subsidiary, MRPL:

- (i) Amount of Guarantee Rs. 18,356.40 million (Previous year Rs. 14,335.20 million)
- (ii) Amount Outstanding Rs. 3,295.49 million (Previous year Rs. 8,468.52 million)

e) Uncalled liability on partly paid shares is Rs. 1,337.19 million against which advance paid Rs. 1,233.87 million.

**10 Disclosures required by Accounting Standard (AS)-29 "Provisions, Contingent Liabilities and Contingent Assets" :
Movement in Provisions – Others**

For Court cases, arbitration and others, where timing of expected outflows is upon settlement of the proceedings.

(Rs. in million)

| Particulars | 2008-09 | 2007-08 |
|---|----------|----------|
| Opening Balance | 490.38 | 513.65 |
| Add: Provision made during the period | 8778.72 | 164.83 |
| Less: Provision written back/ reclassified/ reduction during the period | (140.06) | (188.10) |
| Closing Balance | 9,129.04 | 490.38 |

11 In respect of Ravva JV, the demand towards additional profit petroleum raised by GoI, was disputed by the operator due to differences in perception of PSC provision in respect of computation of Post Tax Rate of Return (PTRR). The JV parties other than ONGC had gone in for arbitration with the GoI on different issues. In its partial award dated 12.10.2004, the arbitral tribunal had issued certain directions favouring operator, which were further challenged by the GoI and the said award has been set aside by the Honorable High Court of Kuala Lumpur, Malaysia in January, 2009. Although the Company is not a party to the dispute, and the dispute has not been concluded, as an abundant precaution, the Company has made provision of Rs. 5,771.14 million on account of additional profit petroleum and Rs. 2,829.86 million for interest thereon and included under Provisions - Others in Schedule-23.

12 The Company is mainly in the oil and gas exploration and production activities where each cost centre used for depreciation (depletion) purposes has been identified as independent Cash Generating Unit (CGU) for assessing the impairment in Producing Properties and fixed assets etc. on the basis of 'value in use'. The Company has tested all its assets for impairment by applying discount rates of 16.61% (Previous year 15.64%) for Rupee transactions and 13.40% (Previous year 11.13%) for crude oil and value added products revenue measured in USD as on 31.03.2009.

During the year, Rs. 1,240.59 million (Previous year Rs. 84.90 million) has been provided as additional impairment loss in respect of certain CGUs. Further, impairment loss to the extent of Rs. 4,350.91 million (Previous year Rs. 521.78 million) has been reversed in respect of Agartala and DVP Jorhat fields due to increased Gas price, accretion in reserves and change in sales profile.

13 The Company had changed the rate of depreciation in 2005-06 on all Trunk Pipelines and Onshore Flow Lines (assets below ground) from 27.82% to 100% based on technical assessment by the management. The Company had made a reference to the Ministry of Corporate Affairs in 2006-07 for confirmation of the rate of depreciation. Pending confirmation by the Ministry, the company continues to charge depreciation at 100% on such assets.

14 The Company had acquired 90% Participating Interest in Exploration Block KG-DWN- 98/2 from M/s Cairn Energy India Ltd. in 2004-05 for a lump sum consideration of Rs. 3,711.22 million which was capitalized under Exploratory wells in Progress as per Accounting Policy no. 6.1. Subsequently drilling of three wells was completed in this block till March 2006 at a cost of Rs. 2,393.58 million and included in Exploratory wells in Progress. There are Initial-in-Place-Reserves in this block and also conceptual development plan is under way. The block is located in deep waters needing more time for completion of appraisal programme. However, the Company as an abundant precaution, had made a provision of Rs. 6,104.80 million in respect of above costs in 2007-08. Since there is no change in status of reserves of this block during the current year, the expenditure amounting to Rs. 2,360.39 million on drilling of two additional wells completed during 2006-07, being more than two years old, has been provided for.

15 In accordance with the Accounting Standard (AS)-22 on "Accounting for Taxes on Income", the Company has Net Deferred Tax Liability as at 31st March, 2009 of Rs. 78,022.35 million (Previous year- Rs.73,707.99 million). The breakup of Deferred Tax Liability is as under:-

(Rs. in million)

| Particulars | As on 31 st March, 2009 | As on 31 st March, 2008 |
|---|------------------------------------|------------------------------------|
| (i) Liabilities | | |
| Depletion of Producing Properties | 122,470.73 | 102,115.36 |
| Depreciation Allocated to Wells in Progress & expenses relating to NELP | 5294.21 | 5,081.03 |
| Deferred Revenue Expenditure written off | 2,211.42 | 2,290.59 |
| Development Wells-in-Progress | 6,444.16 | 4,469.04 |
| Others | 1,969.65 | 1,721.98 |
| Total (i) | 138,390.17 | 115,678.00 |



| | | |
|---|------------------|------------------|
| (ii) Assets | | |
| Depreciation | 5,021.17 | 2,943.86 |
| Dry wells written off | 6,474.70 | 2,838.94 |
| Provision for Non Moving Inventories | 1,324.95 | 3,451.16 |
| Provision for Doubtful Debts/Claims/Advances/ Interest | 2,887.20 | 2,121.08 |
| Provision for Abandonment | 29,888.16 | 19,759.89 |
| Provision for Leave Encashment | 4,563.72 | 3,725.84 |
| Provision toward Additional Profit Petroleum & interest-Ravva | 2923.48 | - |
| Statutory duties unpaid u/s 43B | 633.31 | 3,221.38 |
| Others | 6,651.13 | 3,907.86 |
| Total (ii) | 60,367.82 | 41,970.01 |
| Deferred Tax Liability (Net)(i - ii) | 78,022.35 | 73,707.99 |

16 Disclosures pursuant to the clause 32 of the Listing Agreement:

(Rs. in million)

| | Loans & Advances in the Nature of Loans | |
|--|---|--|
| | Outstanding as on 31.03.2009 | Maximum Amount Outstanding during the year |
| a) Loans to Subsidiaries* | | |
| ONGC Videsh Limited (OVL) – Wholly owned subsidiary | 153,064.77 (112,648.44) | 154,035.12 (131,016.56) |
| Mangalore Refinery & Petrochemicals Limited.(MRPL) | 15,000.00 (15,000.00) | 15,000.00 (15,000.00) |
| b) Loans having repayment schedule of more than seven years to employees | 5,898.86 (6,449.64) | 6,449.64 (6,651.12) |

*Excludes Current A/c transactions

Notes:

1. Loan to OVL carries interest @ 6% per annum and is repayable with a notice period of minimum one year.
2. OVL has the following investments in its subsidiaries :

| Name of Subsidiary | No of Shares | (Rs. in million) |
|----------------------------------|---|---|
| a) ONGC Nile Ganga BV | Class A – 40 Class B - 100 Class C - 5,500 | 8,536.32 (8,536.32) 21,340.82 (21,340.82) 1,377.86 (0) |
| b) ONGC Narmada Limited | Equity Shares – 20,000,000 | 6.94 (6.94) |
| c) ONGC Amazon Alaknanda Limited | Equity Shares -12000 Preference Shares-437,488,000 | 0.56 (0.56) 20,190.07 (20,190.07) |
| d) Jarpeno Limited, Cyprus | Equity Shares -1,000 | 0.06 (0) |

3. Loan to MRPL carries interest @ 7% per annum and is repayable at quarterly intervals. In view of the prepayment of loan installments in earlier years by MRPL, balance loan is repayable over a period of 5 years in quarterly installments, commencing from 2009-10. However, Company can recall this loan on a notice of 90 days and MRPL can also prepay whole or part of the loan, as per their convenience.
4. The Company has not advanced any money to its employees for the purposes of investment in the securities of the Company.

- 17 363,040,424.811 units (Previous year 107,607,496.898 units) at NAV of Rs. 1,019.4457 each of UTI Mutual Fund-UTI Liquid Cash Plan-(Institutional) Daily dividend reinvestment option were purchased during the year. 229,014.778 units (Previous year 56,160.490 units) of dividend declared were reinvested and 363,269,439.589 units, including dividend (Previous year 107,663,657.388 units) were redeemed during the year at NAV of Rs. 1,019.4457 each.
- 18 During the year, the company has reviewed the treatment of expenditure on refurbishment of assets in terms of requirement of Accounting Standard (AS-10) on Accounting for Fixed Asset to have uniformity of treatment of such expenditure. As a result, expenditure on refurbishment which meets the specified criteria under AS-10 amounting to Rs 2,282.17 million incurred in earlier year on the ongoing projects as on 01.04.2008 has been capitalized by crediting to prior period items-other production, selling & distribution expenditure. Similarly, such expenditure incurred in the current year to the extent of Rs.1,349.30 million has been capitalized. Due to such treatment, profit for the year has increased by Rs. 3,219.82 million, net of depreciation, with corresponding increase in respective assets.
- 19 Information in respect Micro, Small and Medium Enterprises Development Act, 2006 ; Company had sought confirmation from the vendors whether they fall in the category of Micro/Small/Medium Enterprises. Based on the information available, the required disclosures are given below:

| (Rs. in million) | | |
|--|---------|---------|
| Particulars | 2008-09 | 2007-08 |
| a) Principal amount remaining unpaid as on 31 st March. | 63.43 | 13.85 |
| b) Interest due thereon as on 31 st March. | 0.00 | 0.00 |
| c) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year. | 0.00 | 0.00 |
| d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006. | 0.00 | 0.00 |
| e) Interest accrued and remaining unpaid as at 31 st March'09 | 0.00 | 0.00 |
| f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise. | 0.00 | 0.00 |

- 20 Since the Company has prepared the Consolidated Financial Statements as per Accounting Standard - (AS)-21, "Consolidated Financial Statements", Segment information has been presented in the Consolidated Financial Statements.
- 21 The Company has a system of physical verification of Inventory, Fixed Assets and Capital Stores in a phased manner at regular intervals and verified with general ledger balances. Adjustment of differences, if any, is carried out in books of account after examination of these differences.
- 22 Some of the balances of Debtors, Creditors and Loans & Advances are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for on receipt / confirmation of the same after examination.
- 23 (a) As per the Production Sharing Contracts signed by the Company with the GoI, the Company is required to complete Minimum Work Programme (MWP) within stipulated time. In case of delay in completion of the MWP, Liquidated Damages (LD) are payable for extension of time. Further in case of unfinished MWP or surrender of block without completing the MWP, the estimated cost of completing balance work programme is required to be paid to the GoI. The LD amounting to Rs.563.28 million (Previous year Rs. 498.51 million) and cost of unfinished MWP Rs.1,439.51 million (Previous year net of reversal Rs.97.89(credit) million) paid/payable to the GoI has been included in survey and dry wells expenditure in Schedule 21.
- (b) In respect of 16 (Previous year 2) Deepwater NELP Blocks, LD and MWP amounting to Rs.6,229.03 million (Previous year-Rs.449.28 million) and Rs.13,075.42 million (Previous year-Nil) (Company's share) respectively has not been provided for, since the Rig moratorium proposal of the Company is still under consideration of GoI as per the Letter from Director General of Hydrocarbons (DGH). However, Rs.13,075.42 million has been included in Capital Commitment (Note No 8(b)).



24 The Company had provided the liability for pay revision, due w.e.f. 01.01.2007, amounting to Rs. 10,500.47 million on estimated basis in 2007-08. During the current year, the Company has reassessed the pay revision liability based on the guidelines issued by Department of Public Enterprises (DPE), Government of India and excess liability amounting to Rs. 5,360 million upto 31.03.2008 has been reversed. During 2008-09, the Company has provided liability on pay revision amounting to Rs. 5,680.00 million for the current year. Thus the total liability provided upto 31.03.2009 is Rs. 10,820.47 million. The same has been allocated to activities as per the policy of the Company.

25 Joint Venture Accounting:

25.1 Jointly Controlled Assets

In respect of certain blocks, the Company's Joint ventures (JV) with certain bodies corporate have entered into Production Sharing Contracts (PSCs) with GoI. Details of these blocks and JVs as on 31.03.2009 are as under:

| Sl. No. | Blocks | Company's PI * | Others Partners and their PI in the JV/ Operatorship ** |
|----------|-----------------------------|----------------|---|
| A | Jointly Operated JVs | | |
| 1 | Mid & South Tapti | 40% (40%) | BGEPIL - 30%, RIL - 30% |
| 2 | Panna & Mukta | 40% (40%) | BGEPIL - 30%, RIL - 30% |
| B | Non-Operated JVs | | |
| 3 | Ravva | 40% (40%) | CEIL (Operator) - 22.5% PIL - 25% ROPL - 12.5% |
| 4 | CY-OS-90/1 (PY3) | 40% (40%) | HEPI (Operator) - 18% HOEC - 21%, TPL - 21% |
| 5 | RJ-ON-90/1 | 30% (30%) | CEIPL (Operator) - 35% CEHL - 35% |
| 6 | CB-OS/2 - Expl. Phase | 25% (25%) | CEIPL (Operator) - 10% CEIWBV - 21% CECBV - 14% CEGBV - 15% TPL - 15% |
| | CB-OS/2 - Dev. Phase | 50% (50%) | CEIPL (Operator) - 6.70% CEIWBV - 13.20% CECBV - 10.10% CEGBV - 10% TPL - 10% |
| 7 | CB-ON/7 | 30% (30%) | HOEC (Operator) - 35%, GSPC - 35% |
| 8 | CB-ON/3 | 30% (30%) | EOL (Operator) - 70% |
| 9 | GK-OSJ-3 | 25% (25%) | RIL (Operator) - 60%, OIL - 15% |
| 10 | RJ-ONN-2001/1 | 30% (30%) | OIL (Operator) - 40% SRL - 30% |
| 11 | RJ-ONN-2002/1 | 40% (40%) | OIL (Operator) - 60% |
| 12 | AA-ONN-2002/3 | 70% (70%) | OIL (Operator) - 20% SRL - 10% |
| 13 | AN-DWN-2003/2 | 45% (45%) | ENI (Operator) - 40% GAIL - 15% |
| 14 | KG-ONN-2003/1 | 51% (51%) | CEIL - 24% Cairn India - 25% |
| 15 | RJ-ONN-2003/1 | 36% (36%) | ENI (Operator) - 34% CIL - 30% |
| 16 | GV-ONN-2003/1 | 51% (51%) | CEIL (Operator) - 49% |

| Sl. No. | Blocks | Company's PI * | Others Partners and their PI in the JV/ Operatorship ** |
|----------|--------------------------|-----------------|--|
| 17 | VN-ONN-2003/1 | 51% (51%) | CEIL (Operator) -49% |
| 18 | PR-OSN-2004/1 | 35% (35%) | Cairn Energy (Operator)-10% Cairn India-25%, TPL-30% |
| C | ONGC Operated JVs | | |
| 19 | CB-OS/1 | 32.89% (32.89%) | TPL – 10%, HOEC – 57.11% |
| 20 | KG-DWN-98/2 | 65% (90%) | CEIL – 10%, PIB BV – 15%, HEIBV – 10% |
| 21 | KG-DWN-98/4 | 55% (85%) | OIL – 15%, BGEPIL – 30% |
| 22 | MN-DWN-98/3 | 60% (100%) | PIBBV – 40% |
| 23 | MN-OSN-2000/2 | 40% (40%) | GAIL – 20%, IOC – 20%, OIL – 20% |
| 24 | WB-OSN-2000/1 | 85% (85%) | IOC – 15% |
| 25 | CY-DWN-2001/1 | 55% (80%) | OIL – 20%, PIBBV – 25% |
| 26 | AA-ONN-2001/2 | 80% (80%) | IOC – 20% |
| 27 | AA-ONN-2001/3 | 85% (85%) | OIL – 15% |
| 28 | KK-DWN-2002/2 | 80% (80%) | HPCL – 20% |
| 29 | KK-DWN-2002/3 | 80% (80%) | HPCL – 20% |
| 30 | KG-DWN-2002/1 | 70% (70%) | OIL – 20% , BPCL – 10% |
| 31 | MN-DWN-2002/1 | 36% (70%) | OIL – 20% , BPCL - 10%, ENI-34% |
| 32 | CY-ONN-2002/2 | 60% (60%) | BPCL – 40% |
| 33 | CB-ONN-2002/1 | 70% (70%) | CIL – 30% |
| 34 | AA-ONN-2002/4 | 90% (90%) | OIL-10% |
| 35 | MN-DWN-2002/2 | 75% (100%) | BGEPIL – 25% |
| 36 | GS-OSN-2003/1 | 51% (51%) | CE7L-49% |
| 37 | KK-DWN-2004/1 | 45% (45%) | CIL-40%, TATA-15% |
| 38 | CY-DWN-2004/1 | 70% (70%) | GSPC-10%, HPCL-10%, GAIL-10% |
| 39 | CY-DWN-2004/2 | 70% (70%) | GSPC-10%, HPCL-10%, GAIL-10% |
| 40 | CY-DWN-2004/3 | 70% (70%) | GSPC-10%, HPCL-10%, GAIL-10% |
| 41 | CY-DWN-2004/4 | 70% (70%) | GSPC-10%, HPCL-10%, GAIL-10% |
| 42 | CY-PR-DWN-2004/1 | 70% (70%) | GSPC-10%, HPCL-10%, GAIL-10% |
| 43 | CY-PR-DWN-2004/2 | 70% (70%) | GSPC-10%, HPCL-10%, GAIL-10% |
| 44 | KG-DWN-2004/1 | 70% (70%) | GSPC-10%, HPCL-10%, GAIL-10% |
| 45 | KG-DWN-2004/2 | 60% (60%) | GSPC-10%, HPCL-10%, GAIL-10% BPCL-10% |
| 46 | KG-DWN-2004/3 | 70% (70%) | GSPC-10%, HPCL-10%, GAIL-10% |
| 47 | KG-DWN-2004/5 | 50% (50%) | GSPC-10%, HPCL-10%, GAIL-10% OIL-10%, BPCL-10% |
| 48 | KG-DWN-2004/6 | 60% (60%) | GSPC-10%, HPCL-10%, GAIL-10% OIL-10% |
| 49 | KG-OSN-2004/1 | 55% (55%) | BGEPI-45% |
| 50 | CB-ONN-2004/1 | 50% (50%) | GSPC-40%, HERA-MEC-10% |
| 51 | CB-ONN-2004/2 | 50% (50%) | GSPC-40% SRL -10% |
| 52 | CB-ONN-2004/3 | 40% (40%) | GSPC-35% ENSEARCH-25% |
| 53 | CB-ONN-2004/4 | 50% (50%) | GSPC-40% HERAMEC-10% |
| 54 | CY-ONN-2004/1 | 80% (80%) | BPCL-20% |
| 55 | CY-ONN-2004/2 | 80% (80%) | BPCL-20% |
| 56 | MB-OSN-2005-1 | 80% (-) | GSPC – 20% |
| 57 | MB-OSN-2005-5 | 70% (-) | GSPC – 30% |



| Sl. No. | Blocks | Company's PI * | Others Partners and their PI in the JV/ Operatorship ** |
|---------|---------------|----------------|---|
| 58 | MB-OSN-2005-6 | 80% (-) | GSPC – 20% |
| 59 | AN-DWN-2005/1 | 90% (-) | OIL – 10% |
| 60 | KG-DWN-2005/1 | 70% (-) | IOC -20%, GSPC – 10% |
| 61 | KK-DWN-2005/2 | 90% (-) | GSPC – 10% |
| 62 | KG-OSN-2005/1 | 60% (-) | HMEL – 20% GSPC – 20% |
| 63 | KG-OSN-2005/2 | 80% (-) | HMEL – 20% |
| 64 | Raniganj | 74% (74%) | CIL – 26% |
| 65 | Jharia | 90% (90%) | CIL – 10% |
| 66 | NK-CBM-2001/1 | 80% (80%) | IOC – 20% |
| 67 | BK-CBM-2001/1 | 80% (80%) | IOC – 20% |

* PI - Participating Interest

** There is no change in previous years details unless otherwise stated.

25.2 List of the blocks surrendered are given below:

| Sl. No. | Joint Ventures / PSCs | Company's PI * | Year of Surrender | Others Partners and their PI in the JV/ Operatorship ** |
|---------|-----------------------|----------------|-------------------|---|
| 1 | GK-OSJ-1 | 25% | 2003-04 | RIL-50%, Tullow India Operations Ltd-25% |
| 2 | KK-OSN-2000/1 | 100% | 2003-04 | |
| 3 | KK-OSN-97/3 | 100% | 2004-05 | |
| 4 | KK-DWN-2000/2 | 85% | 2004-05 | GAIL-15% |
| 5 | GS-DWN-2000/1 | 100% | 2005-06 | |
| 6 | GS-DWN-2000/2 | 85% | 2005-06 | GAIL-15% |
| 7 | MB-DWN-2000/1 | 85% | 2005-06 | IOC-15% |
| 8 | MB-DWN-2000/2 | 50% | 2005-06 | IOC-15%,GAIL-15%,OIL-10%, GSPC-10% |
| 9 | KK-DWN-2000/4 | 100% | 2005-06 | |
| 10 | CY-OSN-2000/1 | 100% | 2006-07 | |
| 11 | CY-OSN-2000/2 | 100% | 2006-07 | |
| 12 | MN-OSN-2000/1 | 100% | 2006-07 | |
| 13 | MB-OSN-97/4 | 70% | 2006-07 | IOC-30% |
| 14 | KG-OSN – 97/1 | 100% | 2007-08 | |
| 15 | MN-OSN-97/3 | 85% | 2007-08 | GAIL – 15% |
| 16 | GS-DWN-2002/1 | 100% | 2007-08 | |
| 17 | ST-CBM-2003-II | 100% | 2007-08 | |
| 18 | GV-ONN-97/1 | 40% | 2008-09 | IOC – 30%, CAIRN – 30% |
| 19 | MN-ONN-2000/1 | 20% | 2008-09 | OIL-25%,IOC-20%,GAIL-20%,SRL-15% |
| 20 | MB-OSN-2000/1 | 75% | 2008-09 | IOC-15%, GSPC-10% |
| 21 | GS-OSN-2001/1 | 100% | 2008-09 | |
| 22 | PG-ONN/2001/1 | 100% | 2008-09 | |
| 23 | BS(3)CBM-2003/II | 70% | 2008-09 | GSPC – 30% |
| 24 | NK(WEST)-CBM-2003/1 | 100% | 2008-09 | |

* PI - Participating Interest

** There is no change in previous years details unless otherwise stated.

Abbreviations: BGEPII- British Gas Exploration & Production India Ltd., BPCL-Bharat Petroleum Corporation Ltd., CEIL-Cairn Energy India Ltd, CIL-Coal India Ltd., GAIL -Gail India Ltd., GSPC-Gujarat State Petroleum Corporation Ltd., HOEC- Hindustan Oil Exploration Co. Ltd., HPCL- Hindustan Petroleum Corporation Ltd, OIL -Oil India Ltd., IOC- Indian Oil Corporation Ltd., RIL- Reliance Industries Ltd., TPL-Tata Petrodyne Ltd., HEPI - Hardy Exploration & Production (India) Inc., PIL- Petrocon India Ltd., ROPL-Ravva Oil (Singapore) Pte. Ltd., CEIPL- Cairn Energy India Pty Ltd, CEHL- Cairn Energy Hydrocarbons Ltd, TIOL - Tullow India Operations Ltd, SRL – Suntera Resources Ltd.

25.3.1 The Financial position of the JV/NELP blocks are as under:

(Rs. in million)

| | No. of JVs/ NELP Blocks | Assets | Liabilities | Income | Expenditure | Profit/Loss before tax |
|---------------------------------------|----------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|--------------------------------|
| NELP Block-100% PI* | 19 (30) | 1,126.02 (760.43) | 638.60 (361.87) | 0.08 (22.48) | 13,668.21 (8,921.43) | -13,668.13 (-8,898.95) |
| Blocks with other partners | 67 (61) | 67,655.63 (58,580.95) | 32,876.06 (24,180.80) | 49,971.59 (51,857.66) | 40,258.55 (38,879.84) | 9,713.04 (12,977.82) |
| Surrendered till date | 24 (12) | 155.22 (8.44) | 1,902.51 (572.72) | 0.10 (0.23) | 3,147.64 (38.04) | -3147.54 (-37.81) |
| Total | 110 (103) | 68,936.87 (59,349.82) | 35,417.17 (25,115.39) | 49,971.77 (51,880.37) | 57,074.40 (47,839.31) | -7,102.63 (4041.06) |

* PI - Participating Interest

25.3.2 The financial statements of 91 out of 110 JVs/NELP as per para no. 25.3 have been incorporated in the accounts by the company to the extent of company's participating interest in assets, liabilities, expenditure, income and profit (loss) before tax on the basis of statements certified in accordance with production sharing contract and the same has been adjusted for changes as per accounting policy No. 9.1 in Schedule-26

In respect of balance 19 (Previous year 12) JVs/NELP assets, liabilities, Income and expenditure amounting to Rs.32.93 million (Previous year Rs. 163.18 million), Rs.921.25 million (Previous year Rs. 48.41 million), Rs.0.06 million (Previous year Rs. 0.19 million) and Rs.478.69 million (Previous year Rs. 962.74 million) respectively have been incorporated on the basis of uncertified statements prepared under the production sharing contracts.

25.4 (a) The Company has entered into Farm Out Agreements for assigning PI in respect of NELP block as detailed below subject to approval by Gol:

| Block | Company's PI before assignment | Assigned PI | Farmee | Effective date |
|---------------|--------------------------------|-------------|---------------------------|----------------|
| HF-ONN-2001/1 | 100% | 35% | BMN Investment Ltd. (MOL) | 08.05.2008 |
| CY-DWN-2001/1 | 55% | 10% | Rocksource ASA | 15.09.2008 |

As per agreement, Farmees have to share all costs (including exploration cost) from the effective date. Necessary accounting adjustments will be carried out on receipt of approval.

(b) In respect of farm out agreements, where necessary approval from Central Government has been obtained during the year, a sum of Rs. 4,979.55 million has been considered recoverable from the farmees towards the share of expenditure incurred from the effective date of the farm out agreement and has been credited to respective natural heads of account in the current year. Such recovery includes a sum of Rs. 1,820.86 million charged in earlier years.

25.5 Jointly Controlled Entities:

(a) The Company has following Jointly Controlled Entities :

| Name | Country of Incorporation | Ownership Interest (%) | |
|---------------------------------------|--------------------------|------------------------|------------|
| | | 31.03.2009 | 31.03.2008 |
| Petronet LNG Limited | India | 12.50 | 12.50 |
| Petronet MHB Limited | India | 28.766 | 28.766 |
| Mangalore SEZ Limited | India | 26.00 | 26.00 |
| ONGC Mangalore Petrochemicals Limited | India | 46.00 | 46.00 |
| ONGC Petro Additions Limited | India | 41.93 | 41.93 |
| ONGC Tripura Power Co. Limited | India | 49.515 | 26.00 |
| ONGC Teri Biotech Limited | India | 49.98 | 49.98 |



(b) The Company's share in assets, liabilities, income, expenses, contingent liabilities and capital commitments of Jointly Controlled Entities:

(Rs. in million)

| Description | 31.03.2009 | 31.03.2008 |
|------------------------------------|------------|------------|
| i) Assets | | |
| - Long Term assets | 14,263.76 | 5,683.62 |
| - Investments | 699.43 | 1,237.35 |
| - Current assets | 3,311.73 | 2,614.82 |
| ii) Liabilities | | |
| - Current liabilities & provisions | 2,768.57 | 2,020.79 |
| - Other liabilities | 6,730.55 | 2,388.30 |
| iii) Deferred Tax Liabilities | 154.42 | 148.49 |
| iv) Income | 10,864.63 | 8,427.00 |
| v) Expenses | 9,850.47 | 7,531.13 |
| vi) Contingent liabilities | 2,196.99 | 1,999.85 |
| vii) Capital commitments | 36,235.60 | 4,944.56 |

26 Information as per Accounting Standard (AS-18) on Related Party Disclosures is given below:

1. Name of related parties and description of relationship (excluding State Controlled Entities):

(a) Joint Ventures

| Sl. No | Name of the Joint Venture |
|--------|---------------------------------------|
| i) | Ravva |
| ii) | CY-OS-90/1(PY3) |
| iii) | Panna, Mukta & Tapti |
| iv) | CB-OS-1 |
| v) | CB-OS-2 |
| vi) | GK-OSJ-3 |
| vii) | RJ-ON-90/1 |
| viii) | RJ-ONN-2003/1 |
| ix) | KK-DWN-2004/1 |
| x) | ONGC Mangalore Petrochemicals Limited |
| xi) | Petronet LNG Limited |
| xii) | ONGC Teri Biotech Limited |
| xiii) | Mangalore SEZ Limited |
| xiv) | ONGC Petro Additions Limited |
| xv) | ONGC Tripura Power Co. Limited |

(b) Key Management Personnel:

Whole-time Functional Directors:

- Shri R.S. Sharma, Chairman and Managing Director
- Dr. A. K. Balyan
- Shri A.K. Hazarika
- Shri N.K. Mitra (upto 31.01.2009)
- Shri U. N. Bose
- Shri D.K. Pande
- Shri D.K.Sarraf
- Shri Sudhir Vasudeva (w.e.f 01.02.2009)

2. Details of Transactions

(a) Joint Ventures

(Rs. in million)

| Details | 2008-09 | 2007-08 |
|--|----------|----------|
| Amount paid /payable for Oil Transfer Services (Ravva) | 78.59 | 46.98 |
| Amount received for use of Drill Site Accommodation (Ravva) | 10.52 | 11.26 |
| Receipt towards Processing Charges (Panna Mukta) | 442.95 | 463.12 |
| Receipt towards transportation Charges (Panna Mukta Tapti) | 3,634.98 | 1,411.60 |
| Amount paid for purchase of Condensate (Tapti) | 8,273.69 | 6,637.11 |
| Amount received towards charges for Gas Metering Station(Panna Mukta) | 48.87 | 83.19 |
| Payment made on behalf of ONGC Petro additions Ltd. | 268.06 | 32.64 |
| Amount received from ONGC Petro additions Ltd. | 286.65 | 128.47 |
| Expenditure incurred on salary of Company's employee deputed in Petronet LNG Limited | 0.76 | 11.36 |
| Expenditure incurred on salary of ONGC employees deputed in ONGC Petro addition Ltd. | 27.66 | Nil |
| Advance (ONGC Petro-additions Ltd.) | 3,290.00 | 1,300.00 |
| Income from rendering services - (JVs of OVL) | 46.25 | 263.81 |
| Interest Income (JVs of OVL) | 439.94 | 167.05 |
| Amount Receivable – Panna Mukta | 2,998.74 | - |
| ONGC Petro additions Limited | 9.10 | 27.70 |

(b) Key Management Personnel

(Rs in million)

| Particulars | 2008-09 | 2007-08 |
|--|---------|---------|
| Remuneration to Directors (As per 1(b) above) | 16.71 | 15.46 |
| Amount Outstanding | 3.58 | 1.13 |

27 The year end Foreign currency exposures that have not been hedged by derivative instrument or otherwise are given below:

(Figures in million)

| Particulars | Amount in Foreign Currency | | Equivalent Rupees | |
|-------------------------------|----------------------------|------------|-------------------|------------------|
| | 31.03.2009 | 31.03.2008 | 31.03.2009 | 31.03.2008 |
| Loans- SBI-Newyork JPY | 514.54 | 926.10 | 267.35 | 369.42 |
| Import Creditors | | | | |
| AUD | 0.11 | 0.33 | 3.75 | 12.30 |
| EUR | 3.84 | 3.32 | 258.27 | 207.28 |
| GBP | 0.95 | 2.30 | 69.16 | 186.26 |
| JPY | 134.75 | 22.26 | 70.13 | 8.30 |
| NOK | 0.00 | 0.67 | 0.00 | 4.99 |
| SGD | 0.00 | 0.00 | 0.05 | 0.05 |
| USD | 395.49 | 357.55 | 19,937.79 | 14,483.76 |
| Total | | | 20,339.15 | 14,902.94 |
| Export Receivables | | | | |
| USD | 0.00 | 28.85 | 0.00 | 1,148.86 |



28 The required disclosure under the Revised Accounting Standard (AS)-15 on "Employee Benefits" is given below:

(A) Brief Description: A general description of the type of Defined Benefit Plans is as follows:

(i) Earned Leave (EL) Benefit

Accrual – 30 days per year

Encashment while in service – 75% of Earned Leave balance subject to a maximum of 90 days per calendar year

Encashment on retirement – maximum 300 days

(ii) Good Health Reward (Half pay leave)

Accrual - 20 days per year

Encashment while in service - Nil

Encashment on retirement - 50% of Half Pay Leave balance (Previous Year 25% of Half pay leave balance subject to a minimum balance of 120 days restricted to 180 days)

(iii) Gratuity

15 days salary for every completed year of service. Vesting period is 5 years and the payment is restricted to Rs.10 Lakhs.

(iv) Post Retirement Medical Benefits –

Upon payment of one time prescribed contribution by the employees, full medical benefits on superannuation & on voluntary retirement subject to the completion of minimum 20 years of service and 50 years of age.

(v) Terminal Benefits

At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Transfer Traveling Allowance. Employees are gifted a silver plaque also depending upon their level.

(B) The amount recognized in financial statements for defined contribution plans are as under:

| (Rs. in million) | | |
|----------------------------------|-----------------------------------|---|
| Defined Contribution Plans | Amount recognised during the year | Contribution for Key Management Personnel |
| Contributory Provident Fund | 1,702.90 (1,355.95) | 0.69 (0.49) |
| Employee Pension Scheme-95 | 209.29 (209.87) | 0.04 (0.04) |
| Composite Social Security Scheme | 212.24 (211.80) | 0.05 (0.04) |

(C) The amount recognized in the balance sheet for post employment benefit plans are as under:

| (Rs. in million) | | | | | |
|------------------|--------------------------------------|--------------------------|--------------------------|----------------------------------|--------------------|
| SI No. | Particulars | Gratuity | Leave | Post Retirement Medical Benefits | Terminal Benefits |
| 1 | Present Value of Funded Obligation | 17,423.08 (16,318.38) | - | - | - |
| 2 | Fair Value of Plan Assets | 8,133.78 (7,466.63) | - | - | - |
| 3 | Present Value of Unfunded Obligation | - | 13,235.47 (10,861.95) | 12,728.86 (10,699.42) | 480.40 (435.13) |
| 4. | Unrecognised Past Service Cost | - | - | - | - |
| 5 | Net Liability | 9,289.30 (8,851.75) | 13,235.47 (10,861.95) | 12,728.86 (10,699.42) | 480.40 (435.13) |
| 6 | Liability for Retired employees | 812.60 (459.75) | 191.17 (99.63) | - | - |
| 7 | Total Provision (Sch-15) | 10,101.90 (9,311.50) | 13,426.64 (10,961.58) | 12,728.86 (10,699.42) | 480.40 (435.13) |

(D) The amount included in the fair value of plan assets of gratuity fund is as follows:

(Rs. in million)

| Defined Contribution Plan | During the year |
|---|-----------------|
| Reporting Enterprise's own financial instruments | Nil (Nil) |
| Any Property occupied by, or other assets used by the reporting enterprise. | Nil (Nil) |

(E) Reconciliation showing the movements during the period in the net liability recognized in the balance sheet:

(Rs. in million)

| SI No. | Particulars | Gratuity | Leave | Post Retirement Medical Benefits | Terminal Benefits |
|--------|---------------------------------------|--------------------------|--------------------------|----------------------------------|---------------------|
| 1 | Opening defined benefit obligation | 16,318.38 (7,253.89) | 10,861.95* (6,215.87) | 10,699.42 (8,685.93) | 435.14 (399.52) |
| 2 | Current Service Cost | 736.47 (729.92) | -189.29# (832.71) | 263.29 (221.40) | 20.40 (18.86) |
| 3 | Past Service Cost | - (2,660.19) | - (-) | - (-) | - (-) |
| 4. | Interest Cost | 1,142.29 (580.31) | 705.92 (464.76) | 748.96 (694.87) | 30.46 (31.96) |
| 5. | Actuarial losses (gains) | (468.44) (5,482.90) | 2,984.68 (4,258.63) | 1,430.71 (1,475.20) | 7.16 (-1.10) |
| 6. | Exchange differences on foreign plans | - (-) | - (-) | - (-) | - (-) |
| 7. | Benefits paid | 305.61 (388.83) | 1127.79 (910.02) | 413.52 (377.98) | 12.76 (14.10) |
| 8. | Closing defined benefit obligation | 17,423.09 (16,318.38) | 13,235.47 (10,861.95) | 12,728.86 (10,699.42) | 480.40 (435.14) |

*Includes Rs.777.49 million for Provident Fund(PF) on Leave encashment(LE)

After adjustment of Rs.777.49 million being PF on LE reversed in current year based on revised guidelines & netted off against current service cost of Rs.588.20 million.

(F) The total amount recognized in the Financial statements before allocation is as follows:

(Rs. in million)

| SI No. | Particulars | Gratuity | Leave | Post Retirement Medical Benefits | Terminal Benefits |
|--------|---|------------------------|------------------------|----------------------------------|-------------------|
| 1 | Current Service Cost | 736.47 (729.92) | 588.21 (832.71) | 263.29 (221.40) | 20.40 (18.86) |
| 2 | Interest on Obligation | 1,142.29 (580.31) | 705.91 (464.76) | 748.96 (694.87) | 30.46 (31.96) |
| 3 | Expected return on plan assets | 630.24 (598.44) | - (-) | - (-) | - (-) |
| 4. | Net actuarial Losses / (Gains) recognized in year | (468.44) (5,526.53) | 2,984.68 (4,258.63) | 1,430.71 (1,475.20) | 7.16 (-1.10) |
| 5 | Past Service Cost | - (2,660.19) | - (-) | - (-) | - (-) |
| 6 | Losses (Gains) on curtailments and settlement | - (-) | - (-) | - (-) | - (-) |
| 7 | Total included in 'employee benefit expense'. | 780.08 (8,898.51) | 4,278.80 (5,556.10) | 2,442.96 (2,391.47) | 58.02 (49.72) |
| 8. | Actual return on plan assets | 630.08 (554.82) | - (-) | - (-) | - (-) |



Investments of Gratuity Trust

| Particulars | % of Investment as at | |
|--------------------------|-----------------------|----------|
| | 31.03.09 | 31.03.08 |
| Central Govt. Securities | 46.60 | 46.67 |
| State Govt. Securities | 19.52 | 19.62 |
| PSU Bonds | 33.88 | 33.71 |
| | 100.00 | 100.00 |

(G) Principal actuarial assumption at the balance sheet date (expressed as weighted averages):

| Sl No. | Particulars | Gratuity | Leave | Post Retirement Medical Benefits | Terminal Benefits |
|--------|-------------------------------------|-------------------|------------------|----------------------------------|-------------------|
| 1 | Discount rate | 7% (8%) | 7% (8%) | 7% (8%) | 7% (8%) |
| 2 | Expected return on plan assets | 8.09% (8.25%) | - (-) | - (-) | - (-) |
| 4. | Annual increase in healthcare costs | - (-) | - (-) | 5 % (5.50%) | - (-) |
| 6. | Annual Increase in Salary | 5.00 % (5.50%) | 5.00% (5.50%) | - (-) | - (-) |

Note: Figures in parenthesis represents last year's figure.

29 Details of Oil and Gas Reserves (approved by Reserve Estimates Committee)

a. Company's share of Proved Reserves on the geographical basis is as under:-

| Details | | Crude Oil (MMT)* | | Gas (Billion Cubic Meter) | | Total Oil Equivalent (MTOE)** | |
|----------|------------|---------------------|---------------------|------------------------------|---------------------|----------------------------------|---------------------|
| | | As on 31.03.2009 | As on 31.03.2008 | As on 31.03.2009 | As on 31.03.2008 | As on 31.03.2009 | As on 31.03.2008 |
| Offshore | Opening | 226.420 | 221.740 | 198.011 | 185.401 | 424.431 | 407.141 |
| | Addition | 14.910 | 24.560 | 18.221 | 31.955 | 33.131 | 56.515 |
| | Deduction | - | -0.060 | - | 0.039 | - | -0.021 |
| | Adjustment | - | - | - | - | - | - |
| | Production | 18.620 | 19.940 | 19.520 | 19.306 | 38.140 | 39.246 |
| | Closing | 222.710 | 226.420 | 196.712 | 198.011 | 419.422 | 424.431 |
| Onshore | Opening | 190.340 | 186.150 | 149.206 | 150.905 | 339.546 | 337.055 |
| | Addition | 8.990 | 12.100 | 4.627 | 4.136 | 13.617 | 16.236 |
| | Deduction | - | - | - | - | - | - |
| | Adjustment | - | - | - | - | - | - |
| | Production | 7.570 | 7.910 | 5.708 | 5.835 | 13.278 | 13.745 |
| | Closing | 191.760 | 190.340 | 148.125 | 149.206 | 339.885 | 339.546 |
| Total | Opening | 416.760 | 407.890 | 347.217 | 336.306 | 763.977 | 744.196 |
| | Addition | 23.900 | 36.660 | 22.848 | 36.091 | 46.748 | 72.751 |
| | Deduction | - | -0.060 | - | 0.039 | - | -0.021 |
| | Adjustment | - | - | - | - | - | - |
| | Production | 26.19 | 27.850 | 25.228 | 25.141 | 51.418 | 52.991 |
| | Closing | 414.47 | 416.760 | 344.837 | 347.217 | 759.307 | 763.977 |

b. Company's share of Proved Developed Reserves on the geographical basis is as under:-

| Details | | Crude Oil (MMT)* | | Gas (Billion Cubic Meter) | | Total Oil Equivalent (MTOE)** | |
|----------|--------------|------------------|------------------|---------------------------|------------------|-------------------------------|------------------|
| | | As on 31.03.2009 | As on 31.03.2008 | As on 31.03.2009 | As on 31.03.2008 | As on 31.03.2009 | As on 31.03.2008 |
| Offshore | Opening | 182.900 | 191.350 | 122.892 | 128.753 | 305.792 | 320.103 |
| | Addition | 12.160 | 11.440 | 23.398 | 13.520 | 35.558 | 24.960 |
| | Adjustment # | - | - | - | -0.006 | - | -0.006 |
| | Deduction | - | - | - | - | - | - |
| | Adjustment | - | -0.050 | - | 0.069 | - | 0.019 |
| | Production | 18.620 | 19.940 | 19.520 | 19.306 | 38.14 | 39.246 |
| | Closing | 176.440 | 182.900 | 126.770 | 122.892 | 303.21 | 305.792 |
| Onshore | Opening | 148.140 | 144.990 | 112.317 | 114.392 | 260.457 | 259.382 |
| | Addition | 8.580 | 13.160 | 4.961 | 4.342 | 13.541 | 17.502 |
| | Adjustment # | - | -2.100 | - | -0.582 | - | -2.682 |
| | Deduction | - | - | - | - | - | - |
| | Adjustment | - | - | - | - | - | - |
| | Production | 8.230 | 7.910 | 6.209 | 5.835 | 14.439 | 13.745 |
| | Closing | 148.490 | 148.140 | 111.069 | 112.317 | 259.559 | 260.457 |
| Total | Opening | 331.040 | 336.340 | 235.209 | 243.145 | 566.249 | 579.485 |
| | Addition | 20.740 | 24.600 | 28.359 | 17.862 | 49.099 | 42.462 |
| | Adjustment # | - | -2.100 | - | -0.588 | - | -2.688 |
| | Deduction | - | - | - | - | - | - |
| | Adjustment | - | -0.050 | - | 0.069 | - | 0.019 |
| | Production | 26.850 | 27.850 | 25.729 | 25.141 | 52.579 | 52.991 |
| | Closing | 324.930 | 331.040 | 237.839 | 235.209 | 562.769 | 566.249 |

* Crude Oil includes oil condensate and does not include 0.842 MMt of Condensate due to line condensation and 159 MMm3 of CSU off gas.

** MTOE denotes "Million Tonne Oil Equivalent" and for calculating Oil equivalent of Gas, 1000 M3 of Gas has been taken to be equal to 1 MT of Crude Oil.

Adjustment due to upgradation of production from proved undeveloped reserves in the previous year to proved developed reserves. Variations in totals, if any, are due to internal summation and rounding off.



30 Details of Expenditure

Details of expenditure incurred on natural heads and its allocation :

(Rupees in million)

| | 2008-09 | | 2007-08 |
|---|-----------------|--------------------|-------------------|
| Manpower Cost : | | | |
| (a) Salaries, Wages, Ex-gratia etc. | 34,366.17 | | 38,346.35 |
| (b) Contribution to Provident and other funds | 2,124.73 | | 1,779.25 |
| (c) Provision for gratuity | 1,112.92 | | 9,311.50 |
| (d) Provision for leave | 3,577.40 | | 5,655.73 |
| (e) Provision for Post Retirement Medical & Terminal Benefits | 2,027.89 | | 2,051.69 |
| (f) Staff welfare expenses | <u>4,186.82</u> | | <u>3,339.88</u> |
| Sub Total: | | 47,395.93 | 60,484.40 |
| Consumption of Raw materials, Stores and Spares | | 23,889.07 | 19,127.90 |
| Cess | | 55,788.33 | 58,215.31 |
| Natural Calamity Contingent Duty - Crude Oil | | 1,081.40 | 1,126.63 |
| Excise Duty | | 3,382.86 | 2,887.21 |
| Royalty | | 44,930.67 | 60,708.04 |
| Sales Tax | | 6,926.28 | 772.20 |
| Octroi/BPT | | 4,464.74 | 4,556.48 |
| Service Tax | | 293.43 | 217.97 |
| Education cess | | 1,798.34 | 1,863.56 |
| Rent | | 1,317.22 | 1,116.68 |
| Rates and taxes | | 476.98 | 478.42 |
| Hire charges of equipments and vehicles | | 83,664.85 | 49,579.14 |
| Power, fuel and water charges | | 2,707.88 | 3,171.49 |
| Contractual drilling, logging, workover etc. | | 69,970.28 | 50,116.25 |
| Contractual security | | 1,751.16 | 1,931.71 |
| Repairs to building | | 628.83 | 471.02 |
| Repairs to plant and machinery | | 1,787.86 | 1,545.38 |
| Other repairs | | 3,607.14 | 8,584.00 |
| Insurance | | 1,890.72 | 1,880.59 |
| Expenditure on Tour / Travel | | 2,815.47 | 2,305.66 |
| Contribution | | 746.93 | 965.45 |
| Miscellaneous expenditure | | 9,961.23 | 9,684.35 |
| Exchange Variation | | <u>3,819.04</u> | <u>(1069.44)</u> |
| | | 375,096.64 | 340,720.40 |
| Less: | | | |
| Allocated to exploration, development drilling, capital jobs, recoverables etc. | | 141,118.82 | 107,267.10 |
| Excise duty adjusted against sales revenue | | 3,494.11 | 2,887.44 |
| Prior Period Adjustment | | (1,955.16) | 350.19 |
| Production, Transportation, Selling and Distribution Expenditure | | 2,32,438.87 | 230,215.67 |

31 Information under Schedule VI to the Companies Act, 1956

i) Sales

| Product | Unit | 2008-09 | | | 2007-08 | | |
|---|-------------------|------------|------------------------|-------------------|------------|------------------------|-------------------|
| | | Quantity | Value (Rs. in million) | | Quantity | Value (Rs. in million) | |
| Crude Oil* | MT | 22,879,209 | 407,901.68 | | 24,076,527 | 401,166.85 | |
| Less: From Exploratory Fields | | 4,099 | 63.51 | | 286 | 5.27 | |
| Less: Government of India's share in Profit Petroleum | | | <u>15,930.69</u> | 391,907.48 | | <u>14,358.89</u> | 386,802.69 |
| Natural Gas* | 000M ³ | 20,534,094 | 80,358.44 | | 20,431,511 | 73,397.69 | |
| Less: From Exploratory Fields | | 1,072 | 3.56 | | 3,801 | 11.03 | |
| Less: Government of India's share in Profit Petroleum | | | <u>4,827.30</u> | 75,527.58 | | <u>1,606.62</u> | 71,780.04 |
| Liquified Petroleum Gas | MT | 1,029,220 | | 22,752.31 | 1,036,773 | | 20,168.60 |
| Naphtha | MT | 1,544,868 | | 48,406.27 | 1,442,019 | | 43,848.59 |
| Ethane/Propane | MT | 496,603 | | 9,889.55 | 519,957 | | 9,290.73 |
| Superior Kerosene Oil | MT | 152,836 | | 4,448.38 | 168,454 | | 3,373.83 |
| Superior Kerosene Oil (Trading) | KL | 440,772 | | 12,253.13 | 308,164 | | 7,400.82 |
| Low Sulphur Heavy Stock | MT | 23,457 | | 653.91 | 17,544 | | 418.34 |
| High Speed Diesel | MT | 1,090 | | 27.44 | 379 | | 12.79 |
| High Speed Diesel (Trading) | KL | 1,742,039 | | 61,882.54 | 1,539,370 | | 48,608.25 |
| Motor Spirit (Trading) | KL | 272,689 | | 11,061.54 | 231,758 | | 9,159.00 |
| Aviation Turbine Fuel | MT | 15,377 | | 665.87 | 10,093 | | 393.61 |
| Others | | | | 205.90 | | | 112.94 |
| | | | | <u>639,681.90</u> | | | <u>601,370.23</u> |



ii) Opening and Closing Stock of Goods Produced:

| | | As at 31 st March, 2009 | | As at 31 st March, 2008 | |
|-------------------------|------|------------------------------------|---------------------------|------------------------------------|---------------------------|
| | Unit | Quantity | Value (Rs. in million) | Quantity | Value (Rs. in million) |
| Opening stock | | | | | |
| Crude Oil | MT | 920,280 | 4,217.23 | 816,199 | 3,248.49 |
| Liquefied Petroleum Gas | MT | 7,633 | 30.08 | 9,698 | 35.56 |
| Naphtha | MT | 108,292 | 461.34 | 81,847 | 298.88 |
| Ethane/Propane | MT | 766 | 5.67 | 1,057 | 7.74 |
| Superior Kerosene Oil | MT | 5,632 | 22.10 | 5,640 | 12.71 |
| Aviation Turbine Fuel | MT | 859 | 5.58 | 533 | 1.03 |
| Low Sulphur Heavy Stock | MT | 122 | 1.80 | 479 | 5.47 |
| High Speed Diesel | MT | 3,122 | 29.84 | 1,395 | 12.61 |
| High Speed Diesel * | KL | 48 | 1.45 | 60 | 1.65 |
| Motor Spirit* | KL | 6 | 0.25 | 8 | 0.31 |
| Others | | 0 | 1.35 | 0 | 11.15 |
| | | | <u>4,776.69</u> | | <u>3,635.60</u> |
| Closing stock | | | | | |
| Crude Oil | MT | 974,231 | 5,062.67 | 920,280 | 4,217.23 |
| Liquefied Petroleum Gas | MT | 7,437 | 30.65 | 7,633 | 30.08 |
| Naphtha | MT | 117,353 | 403.14 | 108,292 | 461.34 |
| Ethane/Propane | MT | 841 | 6.67 | 766 | 5.67 |
| Superior Kerosene Oil | MT | 9,107 | 39.05 | 5,632 | 22.10 |
| Aviation Turbine Fuel | MT | 1,136 | 6.32 | 859 | 5.58 |
| Low Sulphur Heavy Stock | MT | 166 | 1.09 | 122 | 1.80 |
| High Speed Diesel | MT | 4,121 | 35.71 | 3,122 | 29.84 |
| High Speed Diesel * | KL | 54 | 1.29 | 48 | 1.45 |
| Motor Spirit* | KL | 14 | 0.43 | 6 | 0.25 |
| Others | | 0 | 0.69 | 0 | 1.35 |
| | | | <u>5,587.71</u> | | <u>4,776.69</u> |

* Purchased for trading

iii) Licensed Capacity, Installed Capacity and Actual Production (Capacity as certified by the Management)

| | Unit | 2008-09 | | 2007-08 | |
|-------------------------|--------------------|---------------------------------|-------------------------------|---------------------------------|-------------------------------|
| | | Installed Capacity per annum | Actual Production Quantity | Installed Capacity per annum | Actual Production Quantity |
| Crude Oil* | MT | NA | 27,127,596 | NA | 27,931,576 |
| Natural Gas* | 000 M ³ | NA | 25,435,844 | NA | 25,121,504 |
| Liquified Petroleum Gas | MT | 1,158,000 | 1,026,319 | 1,158,000 | 1,034,611 |
| Ethane/Propane | MT | 5,70,000 | 496,663 | 570,000 | 519,711 |
| Naphtha | MT | 1,468,228 | 1,553,018 | 1,468,228 | 1,469,429 |
| SKO | MT | 304,400 | 156,302 | 304,400 | 167,399 |
| ATF | MT | | 21,464 | | 16,498 |
| LSHS | MT | 16,270 | 23,501 | 16,270 | 17,187 |
| HSD | MT | 42,637 | 36,186 | 42,637 | 31,865 |

* Licensed Capacities not applicable for the above products

Notes:

1. Production includes internal consumption and intermediary losses
2. Crude Oil includes condensate 2.006 MMT (Previous year 2.007 MMT)

iv) Purchases

| | Unit | 2008-09 | | 2007-08 | |
|-----------------------|------|-----------|---------------------------|-----------|---------------------------|
| | | Quantity | Value (Rs. in million) | Quantity | Value (Rs. in million) |
| Superior Kerosene Oil | KL | 440,772 | 12,248.73 | 308,164 | 7,397.74 |
| High Speed Diesel | KL | 1,742,046 | 61,863.40 | 1,539,382 | 48,566.93 |
| Motor Spirit | KL | 272,690 | 11,053.63 | 231,762 | 9,150.14 |
| Others | | | 0.27 | | 0.50 |
| Total | | | 85,166.03 | | 65,115.31 |

v) Raw Material Consumed

| | Unit | 2008-09 | | 2007-08 | |
|--|-------------------|----------|-----------------------------------|----------|-----------------------------------|
| | | Quantity | Value at cost (Rs. in million) | Quantity | Value at cost (Rs. in million) |
| (For production of Liquefied Petroleum Gas, Ethane/Propane, Naphtha, Superior Kerosene Oil, Low Sulphur High Stock, Aviation Turbine Fuel and High Speed Diesel. | | | | | |
| Out of own production: | | | | | |
| Crude Oil | MT | 139,641 | 623.60 | 118,880 | 709.72 |
| Natural Gas | 000M ³ | 771,412 | 3,000.13 | 777,655 | 2,321.48 |
| Gas Equivalent Condensate | 000M ³ | 568,571 | 992.89 | 518,037 | 684.47 |
| Purchases | | | | | |
| Gas Equivalent Condensate | MT | 162,941 | 4,983.87 | 138,846 | 3,978.35 |

vi) Consumption of Raw Materials, Stores and Spare Parts

| | 2008-09 | | 2007-08 | |
|--------------|----------------------------|---------------|----------------------------|---------------|
| | Amount (Rs. in million) | % | Amount (Rs. in million) | % |
| Imported | 4,205.42 | 17.60 | 3,330.71 | 17.41 |
| Indigenous | 19,683.65 | 82.40 | 15,797.19 | 82.59 |
| Total | 23,889.07 | 100.00 | 19,127.90 | 100.00 |

vii) Value of Imports on CIF Basis

| | (Rs. in million) | |
|------------------------|------------------|------------------|
| | 2008-09 | 2007-08 |
| Capital items * | 30,581.09 | 42,547.49 |
| Stores and Spare Parts | 7,875.45 | 4,044.40 |
| Total | 38,456.54 | 46,591.89 |

*Includes stage payments made against capital works.



viii) Expenditure in Foreign Currency

(Rs. in million)

| | 2008-09 | 2007-08 |
|--------------|--------------------------|-------------------------|
| Interest | 9.97 | 12.24 |
| Services | 90,660.55 | 46,726.08 |
| Others | 35,881.71 | 7,198.96 |
| Total | <u>126,552.23</u> | <u>53,937.28</u> |

ix) Earnings in Foreign Currency

(Rs. in million)

| | 2008-09 | 2007-08 |
|--------------------|-------------------------|-------------------------|
| Services | 4.72 | 8.25 |
| FOB value of Sales | 34,246.68 | 36,151.14 |
| Others | 73.14 | 1,787.83 |
| Total | <u>34,324.54</u> | <u>37,947.22</u> |

x) Managerial Remuneration (included in 30 above)

(Rs. in million)

| | 2008-09 | 2007-08 |
|---|---------------------|---------------------|
| REMUNERATION PAID OR PAYABLE TO DIRECTORS | | |
| Functional Directors: | | |
| Salaries and Allowances | 7.83# | 5.52# |
| Contribution to Provident & Other Funds | 0.77 | 0.57 |
| Other Benefits and Perquisites* | 3.64 | 2.47 |
| Leave Encashment and Gratuity on retirement of Directors | 1.62 | 0.00 |
| Provision for Leave, Gratuity and Post Retirement Benefits as per revised AS-15 | 2.85 | 6.90 |
| Independent Directors: | | |
| Sitting Fees | 3.52 | 1.18 |
| Total | <u>20.23</u> | <u>16.64</u> |

includes adhoc advance paid on account of pay revision due from 01.01.2007.

* do not include cost of medical treatment availed from the Company's own medical facilities as the amount is not determinable

xi) Auditors' Remuneration (included in 30 above)

(Rs. in million)

| | 2008-09 | 2007-08 |
|---------------------------------------|---------------------|---------------------|
| Audit Fees | 7.17 | 6.61 |
| For Certification work etc. | 5.29 | 5.15 |
| Travelling and Out of Pocket Expenses | 15.09 | 13.57 |
| Total | <u>27.55</u> | <u>25.33</u> |

32 Previous year's figures have been regrouped/ reclassified wherever necessary to conform to current year's classification.

33 Figures in bracket as given in Notes to the Accounts relate to previous year.

Cash flow statement for the year ended 31st march, 2009



(Rupees in million)

| | Year Ended 31 st March, 2009 | Year Ended 31 st March, 2008 |
|---|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Profit before tax, prior period and extraordinary items | 238,954.22 | 252,347.01 |
| Adjustments For: | | |
| Recouped Costs (Represented by Depreciation, Depletion and Amortisation) | | |
| Gross Amount | 119,541.97 | 98,196.21 |
| Actual expenditure | (55,605.73) | (35,428.07) |
| Non-cash Recouped Costs | 63,936.24 | 62,768.14 |
| -Interest on Borrowings | 1,189.17 | 589.62 |
| -Foreign Exchange Loss/(Gain) on revaluation | 2,193.99 | (629.96) |
| -Provision for Gratuity | 790.40 | 7,301.07 |
| -Provision for Leave Encashment | 2,465.06 | 3,677.92 |
| -Provision for Pay Revision | - | 7,953.01 |
| -Provision for AS-15 Benefits | 2,074.71 | 1,588.05 |
| -Other Provision and Write offs | 10,951.31 | 1,112.36 |
| -Interest Income | (38,548.24) | (33,243.95) |
| -Excess Liability written Back | (1,456.76) | (1,247.54) |
| -Deferred Government Grant | (7.02) | (11.91) |
| -Dividend Income | (2,956.08) | (2,881.15) |
| | 40,632.78 | 46,975.66 |
| Operating Profit before Working Capital Changes | 279,587.00 | 299,322.67 |
| Adjustments for: | | |
| -Debtors | 2,646.61 | (16,463.90) |
| -Loans and Advances | (13,150.71) | 2,474.97 |
| -Other Current Assets | 86.35 | 62.08 |
| -Deferred Revenue Expenditure | 13.59 | (1,803.70) |
| -Inventories | (5,684.41) | (4,979.54) |
| -Trade Payable and Other Liabilities | 22,535.20 | 6,446.63 |
| | 6,446.63 | 21,636.39 |
| Cash generated from Operations | 286,033.63 | 300,248.97 |
| Direct Taxes Paid (Net of tax refund) | (63,558.50) | (83,561.66) |
| Cash Flow before prior period | 222,475.13 | 216,687.31 |
| Prior period items (Cash items) | 252.27 | 75.00 |
| Net Cash Flow from Operating Activities 'A' | 222,727.40 | 216,762.31 |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Fixed Assets (Net) | (88,013.20) | (78,495.65) |
| Exploratory and Development Drilling | (59,345.39) | (57,565.30) |
| Purchase of Investments | (5,391.06) | (5,516.96) |
| Sale of Investments | 9,556.37 | - |
| Loans and advances to Subsidiary | (40,739.90) | 18,243.42 |
| Loans to Public Sector Undertakings and Other Bodies Corporate | 670.83 | (1,486.02) |
| Deposit with Public Sector Undertakings | (20,000.00) | - |
| Dividend Received from Subsidiary | 1,506.42 | 1,004.28 |
| Dividend Received from Associates | - | 49.00 |
| Dividend Received from Others | 1,449.66 | 1,827.87 |
| Extraordinary Item-Insurance Claims Received | 657.73 | - |
| Tax paid on Excess of insurance Claim over book value | (223.56) | - |
| Interest Received | 38,286.57 | 27,358.01 |
| Tax paid on Interest Income | (13,013.61) | (9,298.99) |
| Net Cash Flow from Investing Activities 'B' | (174,599.14) | (103,880.34) |



(Rupees in million)

| | Year Ended 31 st March, 2009 | Year Ended 31 st March, 2008 |
|--|--|--|
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Proceeds from Government Grants | - | 6.14 |
| Repayment of Long Term Borrowings | (102.07) | (326.49) |
| Cash Credit | - | (3,041.48) |
| Dividend Paid | (68,419.41) | (66,292.77) |
| Tax on Dividend | (11,632.04) | (11,268.54) |
| Interest Paid | (1,189.17) | (590.22) |
| Net Cash Flow from Financing Activities 'C' | (81,342.69) | (81,513.36) |
| Net increase/(decrease) in Cash and Cash Equivalents (A+B+C) | (33,214.43) | 31,368.61 |
| Cash and Cash Equivalents as at 1 st April, 2008 (Opening Balance) | 224,176.55 | 192,807.94 |
| Cash and Cash Equivalents as at 31 st March, 2009 (Closing Balance) | 190,962.12 | 224,176.55 |

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.
- Adjustments have not been made to "Purchase of Fixed Assets" (Investing Activities), on account of increase/decrease in Capital Creditors. The impact of the above is not readily ascertainable.

| | 2008-09 | 2007-08 |
|--|-------------------|-------------------|
| 3. Cash and Cash equivalents represent: | | |
| a) Cash and Bank Balances | 121,405.48 | 160,143.04 |
| b) Deposits with Bank under Site Restoration Fund Scheme * | 69,556.64 | 64,033.51 |
| Total | 190,962.12 | 224,176.55 |

- Brackets indicate cash outflow/ deduction.

* Deposited u/s 33ABA of the Income Tax Act, 1961 and can be withdrawn only for the purposes specified in the scheme.
For and on behalf of the Board

N. K. Sinha
Company Secretary

D.K. Sarraf
Director (Finance)

R. S. Sharma
Chairman & Managing Director

In terms of our report of even date attached

For Arun K. Agarwal & Associates
Chartered Accountants

Arun Agarwal
Partner (Mem. No. 82899)

For Singhi & Co.
Chartered Accountants

Nikhil Singhi
Partner (Mem. No. 61567)

For P.S.D. & Associates
Chartered Accountants

Manish Agarwal
Partner (Mem. No. 406996)

For Kalyaniwalla & Mistry
Chartered Accountants

Ermin K. Irani
Partner (Mem. No. 35646)

For Padmanabhan Ramani & Ramanujam
Chartered Accountants

G. Vivekananthan
Partner (Mem. No.28339)

New Delhi
June 24, 2009

StandAlone Segment Information

| Particulars | 2008-09 | | | | 2007-08 | | | | (Rs. in million) | |
|---------------------------------------|----------|---------|----------------|-------------|-------------|----------|---------|----------------|------------------|-------------|
| | Offshore | Onshore | Total Segments | Unallocated | Grand Total | Offshore | Onshore | Total Segments | Unallocated | Grand Total |
| Segment Revenue | 456,975 | 191,198 | 648,173 | 710 | 648,883 | 441,346 | 172,318 | 613,664 | 621 | 614,285 |
| Segment Results | | | | | | | | | | |
| Segment Result Profit(+)/Loss(-) | 188,097 | 18,048 | 206,145 | 7,311 | 206,145 | 231,215 | -2,661 | 228,554 | 11,743 | 228,554 |
| Unallocated Corporate Expenses | | | | -7,311 | 198,834 | 231,215 | -2,661 | 228,554 | -11,743 | 216,811 |
| Operating Profit | 188,097 | 18,048 | 206,145 | 1,189 | 1,189 | | | | 590 | 590 |
| Interest | | | | 41,504 | 41,504 | | | | 36,125 | 36,125 |
| Interest/Dividend Income | | | | 78,544 | 78,544 | | | | 85,329 | 85,329 |
| Income Taxes | | | | -45,539 | 160,605 | 231,215 | -2,661 | 228,554 | -61,537 | 167,017 |
| Profit from Ordinary Activities | 188,097 | 18,048 | 206,145 | 658 | 658 | | | | | |
| Extraordinary Gain * | 658 | | 658 | | | | | | | |
| Net Profit | 188,755 | 18,048 | 206,803 | -45,539 | 161,263 | 231,215 | -2,661 | 228,554 | -61,537 | 167,017 |
| Other Information | | | | | | | | | | |
| Segment Assets | 535,290 | 222,969 | 758,259 | | 758,259 | 433,768 | 191,712 | 625,480 | | 625,480 |
| Unallocated Corporate Assets | | | | 482,268 | 482,268 | | | | 455,311 | 455,311 |
| Total Assets | 535,290 | 222,969 | 758,259 | 482,268 | 1,240,527 | 433,768 | 191,712 | 625,480 | 455,311 | 1,080,791 |
| Segment Liabilities | 267,778 | 57,993 | 325,771 | | 325,771 | 193,078 | 67,497 | 260,575 | | 260,575 |
| Unallocated Corporate Liabilities | | | | 127,402 | 127,402 | | | | 114,043 | 114,043 |
| Total Liabilities | 267,778 | 57,993 | 325,771 | 127,402 | 453,173 | 193,078 | 67,497 | 260,575 | 114,043 | 374,618 |
| Capital Expenditure | 186,434 | 45,613 | 232,047 | 3,250 | 235,297 | 105,755 | 40,715 | 146,470 | 2,609 | 149,079 |
| Depreciation (Recouped Cost)** | 95,797 | 24,344 | 120,141 | 708 | 120,849 | 77,138 | 20,189 | 97,327 | 653 | 97,980 |
| Non-cash Expenses | 11,181 | 264 | 11,445 | 221 | 11,666 | 845 | 1,154 | 1,999 | 68 | 2,067 |

* Excess of Insurance Claims over book value

** Also Includes Depletion, Amortization and Impairment Loss

Notes:

Segment Revenue in respect of Onshore Segment for the year ended 31st March, 2009 includes Rs. 85,198 million (Previous year Rs. 65,169 million) on account of trading of products of MRPL - a subsidiary of ONGC.

Segment Result in respect of Onshore segment for the year ended 31st March, 2009 includes loss of Rs. 78 million (Previous year profit of Rs. 306 million) on account of trading of products of MRPL - a subsidiary of ONGC.



ONGCian's observing the flag hoisting ceremony during Republic Day celebration in an Offshore Platform

Balance Sheet Abstract and Company's General Business Profile



I. Registration Details

| | | | |
|--------------------|------------|------------|----|
| Registration No. | 55-54155 | State Code | 55 |
| Balance Sheet Date | 31-03-2009 | | |

II. Capital Raised during the year (Amount in Rs. Thousands)

| | | | |
|--------------|---|---|---|
| Public Issue | - | Bonus Issue | - |
| Right Issue | - | Private Placement (Issued to employees only) | - |

III. Position of Mobilisation and Deployment of funds(Amount in Rs. Thousands)

| Total Liabilities | | Total Assets | |
|------------------------|--|-----------------------------------|--|
| 1025733507 | | 1025733507 | |
| Source of Funds | | | |
| Paid-up Capital | | Reserves & Surplus | |
| 21388873 | | 765965289 | |
| Secured Loans | | Unsecured Loans | |
| - | | 267352 | |
| Deferred Tax Liability | | Liability For Abandonment Cost | |
| 78022345 | | 160089648 | |
| Application of Funds | | | |
| Net fixed Assets | | Investments | |
| 633375612 | | 50903212 | |
| Net Current Assets | | Misc. Expenditure | |
| 334948582 | | 6506101 | |
| Accumulated Losses | | | |
| - | | | |



IV. Performance of Company (Amount In Rs. Thousands)

| | | | |
|---------------------------|-----------|--------------------------|-----------|
| Turnover(Gross Revenue) | 688802733 | Total Expenditure | 448995420 |
| Profit /(Loss) Before Tax | 239807313 | Profit /(Loss) After Tax | 161263150 |
| Earning per Share in Rs. | 75.40 | Dividend Rate % | 320% |

V. Generic Name of Three Principal Products / Services of Company (as per monetary terms)

Item Code No. 27090000

Product Description Crude Oil

Item Code No. 27112100

Product Description Natural Gas

Item Code No. 27111900

Product Description Liquified Petroleum Gas

N. K. Sinha
Company Secretary

Place: New Delhi
Dated: June 24,2009

D.K. Sarraf
Director(Finance)

R.S. Sharma
Chairman & Managing Director

Statement Pursuant to Section 212 of the Companies Act, 1956, Relating

| Sl. No. | Name of the Subsidiary Company | 1. The Financial Year of the Subsidiary Company ends on | 2. Date from which it became Subsidiary Company: | 3. (a) Number of shares held by Oil and Natural Gas Corporation Limited alongwith its nominees in the Subsidiary at the end of the financial year of the Subsidiary Company** | |
|---------|---|---|--|---|--|
| 1 | ONGC Videsh Limited | 31 st March, 2009 | 1 st February, 1994 | 10,00,00,000 Equity shares of Rs. 100 each | |
| 2 | Mangalore Refinery and Petrochemicals Limited | 31 st March, 2009 | 30 th March, 2003 | 1,25,53,54,097 Equity shares of Rs. 10 each | |
| 3 | ONGC Nile Ganga B.V. | 31 st December, 2008 | 12 th March, 2003 | 40 Class "A" & 100 Class "B" shares of Euro 453.78 each & 5500 Class "C" Shares of Euro 1 each directly, rest 4500 Class "C" shares are held by OMEL which is JV Company of OVL & Mittal Investment | |
| 4 | ONGC Narmada Limited | 31 st March, 2009 | 7 th December, 2005 | 20 million shares of one Naira each | |
| 5 | ONGC Amazon Alaknanda Ltd. | 31 st March, 2009 | 8 th August, 2006 | 12,000 Equity & 437,488,000 Preference shares of one USD each | |
| 6 | ONGC Do Brasil Exploracao Petrolifera Ltda. | 31 st December, 2008 | 7 th July, 2006 | 1,000 quotas of BRL 1 each | |
| 7 | ONGC Campos Ltda. | 31 st December, 2008 | 16 th March, 2007 | 179,038,360 quotas of BRL 1 each | |
| 8 | ONGC Nile Ganga (Cyprus) Ltd. | 31 st December, 2008 | 26 th November, 2007 | 100,000 Shares of 0.01 USD each | |
| 9 | ONGC Nile Ganga (San Cristobal) B.V. | 31 st December, 2008 | 29 th February, 2008 | 18,000 shares of Euro 1 each | |
| 10 | Jarpeno Limited | 31 st December, 2008 | 12 th August, 2008 | 1,000 shares of 1 EUR each | |
| 11 | Imperial Energy Corporation Plc. | 31 st March, 2009 | 13 th January, 2009 | 104,607,145 shares of 0.025 GBP each | |
| 12 | Imperial Energy Limited | 31 st March, 2009 | 13 th January, 2009 | 1 share of 1 GBP | |
| 13 | Rus Imperial Corporation plc. | 31 st March, 2009 | 13 th January, 2009 | 30,000,000 shares of 0.05 GBP each | |
| 14 | Imperial Energy Finance (Jersey) Ltd. | 31 st March, 2009 | 13 th January, 2009 | 2 No Par Value shares | |
| 15 | Biancus Holdings Limited | 31 st December, 2009 * | 13 th January, 2009 | 1,000 shares of 1.71 EUR each | |
| 16 | Rus Imperial Limited | 31 st March, 2009 | 13 th January, 2009 | 99 shares of 1 GBP each | |
| 17 | Imperial Energy Tomsk Limited | 31 st December, 2009 * | 13 th January, 2009 | 1,000 shares of 1.71 EUR each | |
| 18 | Imperial Energy (Cyprus) Limited | 31 st December, 2009 * | 13 th January, 2009 | 11,000 shares of 1.71 EUR each | |
| 19 | Imperial Energy Nord Limited | 31 st December, 2009 * | 13 th January, 2009 | 11,000 shares of 1.71 EUR each | |
| 20 | Imperial Energy Gas Limited | 31 st December, 2009 * | 13 th January, 2009 | 2,000 shares of 1 EUR each | |
| 21 | Nefsilius Holdings Limited | 31 st December, 2009 * | 13 th January, 2009 | 1,000 shares of 1.71 EUR each | |
| 22 | RK Imperial Energy Kostanai Ltd. | 31 st December, 2009 * | 13 th January, 2009 | 1,000 shares of 1.71 EUR each | |
| 23 | Imperial Frac Services (Cyprus) Ltd. | 31 st December, 2009 * | 13 th January, 2009 | 1,000 shares of 1.71 EUR each | |
| 24 | Freshspring Investments Limited | 31 st December, 2009 * | 13 th January, 2009 | 1,000 shares of 1.71 EUR each | |
| 25 | Redcliffe Holdings Limited | 31 st December, 2009 * | 13 th January, 2009 | 1,000 shares of 1.71 EUR each | |
| 26 | San Agio Investments Limited | 31 st December, 2009 * | 13 th January, 2009 | 1,000 shares of 1.71 EUR each | |
| 27 | Imperial Energy Trading AG | 31 st December, 2009 * | 13 th January, 2009 | 100 shares of 1,000 CHF | |
| 28 | Imperial Energy Kostanai Limited | 31 st March, 2009 | 13 th January, 2009 | 1 share of 1 GBP | |
| 29 | OOO Sibinterneft | 31 st December, 2009 * | 13 th January, 2009 | full charter capital 100,000RUR | |
| 30 | OOO Alliancenneftegaz | 31 st December, 2009 * | 13 th January, 2009 | full charter capital 50,000RUR | |
| 31 | OOO Nord Imperial | 31 st December, 2009 * | 13 th January, 2009 | full charter capital 100,000RUR | |
| 32 | OOO Imperial Energy | 31 st December, 2009 * | 13 th January, 2009 | full charter capital 10,000RUR | |
| 33 | OOO Imperial Energy Tomsk Gas | 31 st December, 2009 * | 13 th January, 2009 | full charter capital 10,000RUR | |
| 34 | OOO Stratum | 31 st December, 2009 * | 13 th January, 2009 | full charter capital 100,000RUR | |
| 35 | OOO Imperial Trans Service | 31 st December, 2009 * | 13 th January, 2009 | full charter capital 100,000RUR | |
| 36 | OOO Rus Imperial Group | 31 st December, 2009 * | 13 th January, 2009 | full charter capital 100,000RUR | |
| 37 | TOO Sevkazgra | 31 st December, 2009 * | 13 th January, 2009 | full charter capital 4,700,000 tenge | |

* The first financial year as subsidiary would end on 31st December, 2009

**Includes shares held through subsidiaries also.

***At the closing rate of exchange, there is a Foreign Exchange Translation Reserve of (Rs. 6,222.73 million), which has not been adjusted.



to Company's Interest in the subsidiary companies

| 3. (b) Extent of interest of Holding Company at the end of the financial year of the Subsidiary Company | 4. The net aggregate amount of the Subsidiary Company's Profit/(Loss) so far it concerns the members of the Holding Company: | | | | |
|---|--|--|--|--|--|
| | 4.(a) Not dealt within the Holding Company's accounts | | 4. (b) Dealt within the Holding Company's accounts: | | |
| | 4. (a) (i) For the period 1 st April, 2008 to 31 st March, 2009 (Rs. in million)*** | 4. (a) (ii) For the previous period (s) of the Subsidiary Company since it became the Holding Company's Subsidiary (Rs. in million): | 4. (b) (i) For the period 1 st April, 2008 to 31 st March, 2009 (Rs. in million) | 4. (b) (ii) For the previous period (s) of the Subsidiary Company since it became the Holding Company's Subsidiary (Rs. in million): | |
| 100% | 14426.80 | 29698.37 | - | 1050.00 | |
| 71.62% | 8541.00 | 20280.40 | 1506.42 | 3138.38 | |
| Class A & B 100% Class C 77.491% | 11850.82 | 35554.37 | - | 14098.77 | |
| 100% | -113.08 | -287.26 | - | - | |
| 100% | 3681.81 | 3372.44 | - | - | |
| 100% | - | - | - | - | |
| 100% | -1752.78 | -714.23 | - | - | |
| 100% | -1.30 | -0.49 | - | - | |
| 100% | 2814.86 | -0.01 | - | - | |
| 100% | -76.24 | - | - | - | |
| 100% | 161.59 | - | - | - | |
| 100% | -102.40 | - | - | - | |
| 100% | -0.05 | - | - | - | |
| 100% | -0.05 | - | - | - | |
| 100% | 100.05 | - | - | - | |
| 100% | -0.02 | - | - | - | |
| 85% | -6.95 | - | - | - | |
| 100% | -34.61 | - | - | - | |
| 100% | -52.12 | - | - | - | |
| 100% | -0.19 | - | - | - | |
| 100% | -0.10 | - | - | - | |
| 100% | -0.11 | - | - | - | |
| 100% | -0.18 | - | - | - | |
| 100% | -0.32 | - | - | - | |
| 100% | -7.35 | - | - | - | |
| 100% | 27.35 | - | - | - | |
| 100% | -0.55 | - | - | - | |
| 100% | -0.51 | - | - | - | |
| 55.9% (Net Interest 47.5%) | -79.85 | - | - | - | |
| 100% | -1695.40 | - | - | - | |
| 100% | -3817.57 | - | - | - | |
| 100% | 0.00 | - | - | - | |
| 95% | -1.66 | - | - | - | |
| 100% | -0.05 | - | - | - | |
| 100% | -5.06 | - | - | - | |
| 100% | -492.86 | - | - | - | |
| 75% | -0.34 | - | - | - | |

N. K. Sinha
Company Secretary

D.K.Sarraf
Director(Finance)

R.S. Sharma
Chairman & Managing Director

Place: New Delhi
Dated: June 24, 2009

ONGC group performance at a glance

| | 2008-09 | 2007-08 |
|---|----------------|----------------|
| (Rupees in million unless otherwise stated) | | |
| FINANCIAL | | |
| Income from Operations (Turnover) | 1,105,621 | 1,036,483 |
| Statutory Levies | 229,963 | 240,025 |
| Operating Expenses | 430,150 | 374,072 |
| Exchange Loss | 11,716 | 1,018 |
| Profit Before Interest Depreciation & Tax (PBIDT) | 433,792 | 421,368 |
| Recouped Costs | 155,705 | 139,533 |
| Operating Income (PBIT) | 278,087 | 281,835 |
| Interest(Net) | (32,950) | (27,375) |
| Profit before Tax and Extraordinary Items | 311,037 | 309,210 |
| Extraordinary Items | 658 | - |
| Profit before Tax | 311,695 | 309,210 |
| Corporate Tax | 110,094 | 106,999 |
| Profit After Tax (PAT) | 201,601 | 202,211 |
| Share in Associates for the year | 99 | 21 |
| Profit relating to minority | 3,747 | 3,509 |
| Group Profit after Tax | 197,953 | 198,723 |
| Dividend | 68,444 | 68,444 |
| Tax on Dividend | 12,017 | 12,014 |
| Share Capital | 21,389 | 21,535 |
| Net Worth (Equity) | 915,729 | 774,127 |
| Borrowings | 13,091 | 9,427 |
| Working Capital | 172,257 | 240,202 |
| Capital Employed | 752,781 | 693,329 |
| FINANCIAL PERFORMANCE RATIOS | | |
| PBIDT to Turnover (%) | 39.2 | 40.7 |
| PBDT to Turnover (%) | 42.2 | 43.3 |
| Profit Margin(%) | 17.9 | 19.2 |
| ROCE(PBIDT to Capital Employed) (%) | 57.6 | 60.8 |
| Net Profit to Equity (%) | 21.6 | 25.7 |
| BALANCE SHEET RATIOS | | |
| Current Ratio | 1.31:1 | 1.75:1 |
| Debt Equity Ratio | 0.01 | 0.01 |
| Debtors Turnover Ratio(Days) | 24 | 25 |
| PER SHARE DATA | | |
| Earning Per Share (Rs.)- before extraordinary items | 92.35 | 92.91 |
| Earning Per Share (Rs.)- after extraordinary items | 92.55 | 92.91 |
| Dividend (%) | 320 | 320 |
| Book Value Per Share(Rs.)* | 428 | 362 |

*Post Bonus in 2006-07



| 2006-07 | 2005-06 | 2004-05 | 2003-04 | 2002-03 | 2001-02 |
|----------|----------|----------|---------|----------|---------|
| 898,872 | 755,854 | 630,663 | 465,200 | 355,082 | 238,679 |
| 216,411 | 175,823 | 155,922 | 118,979 | 93,177 | 59,742 |
| 307,502 | 255,258 | 186,967 | 139,374 | 72,330 | 49,161 |
| (2,675) | (463) | 203 | 61 | 356 | 118 |
| 377,634 | 325,236 | 287,571 | 206,786 | 189,219 | 129,658 |
| 124,154 | 103,549 | 73,940 | 65,797 | 41,681 | 38,743 |
| 253,480 | 221,687 | 213,631 | 140,989 | 147,538 | 90,915 |
| (19,241) | (11,715) | (10,991) | (7,772) | (12,671) | (7,894) |
| 272,721 | 233,402 | 224,622 | 148,761 | 160,209 | 98,809 |
| 4,751 | 6,405 | - | - | - | - |
| 277,472 | 239,807 | 224,622 | 148,761 | 160,209 | 98,809 |
| 98,454 | 84,932 | 79,416 | 53,880 | 55,785 | 36,593 |
| 179,018 | 154,875 | 145,206 | 94,881 | 104,424 | 62,216 |
| 102 | 107 | 114 | 156 | (8) | - |
| 1,424 | 1,006 | 1,930 | 1,234 | (259) | - |
| 177,696 | 153,976 | 143,390 | 93,803 | 104,675 | 62,216 |
| 66,305 | 64,167 | 57,535 | 34,222 | 42,778 | 19,963 |
| 10,383 | 9,172 | 8,156 | 4,385 | 2,375 | - |
| 21,416 | 14,259 | 14,259 | 14,259 | 14,259 | 14,259 |
| 661,994 | 564,017 | 480,583 | 407,397 | 356,388 | 296,357 |
| 12,964 | 22,342 | 23,870 | 29,073 | 55,527 | 32,644 |
| 202,408 | 173,164 | 135,348 | 107,709 | 91,928 | 95,400 |
| 618,263 | 513,037 | 430,333 | 405,765 | 389,478 | 311,787 |
| 42.0 | 43.0 | 45.6 | 44.5 | 53.3 | 54.3 |
| 44.2 | 44.6 | 47.3 | 46.1 | 56.9 | 57.6 |
| 19.8 | 20.4 | 22.7 | 20.2 | 29.5 | 26.1 |
| 61.1 | 63.4 | 66.8 | 51.0 | 48.6 | 41.6 |
| 26.8 | 27.3 | 29.8 | 23.0 | 29.4 | 21.0 |
| 1.79:1 | 1.97:1 | 1.74:1 | 1.67:1 | 1.82:1 | 2.39:1 |
| 0.02 | 0.04 | 0.05 | 0.07 | 0.16 | 0.11 |
| 20 | 21 | 27 | 23 | 44 | 34 |
| 81.61 | 105.00 | 100.56 | 65.78 | 73.41 | 43.63 |
| 83.08 | 107.98 | 100.56 | 65.78 | 73.41 | 43.63 |
| 310 | 450 | 400 | 240 | 300 | 140 |
| 310 | 396 | 337 | 286 | 250 | 208 |

Statement of income and retained earnings of ONGC group

| | 2008-09 | 2007-08 |
|---|------------------|------------------|
| (Rupees in million) | | |
| REVENUES | | |
| Sales | | |
| Crude Oil | 491,127 | 543,631 |
| Natural Gas | 82,835 | 78,560 |
| LPG | 22,752 | 20,169 |
| Naptha/Aromatic Rich Naptha | 48,406 | 43,848 |
| Ethane/Propane | 9,890 | 9,291 |
| Superior Kerosene Oil | 16,701 | 10,775 |
| HSD | 61,910 | 48,621 |
| Motor Spirit | 11,062 | 9,159 |
| Others | 349,257 | 254,297 |
| Price Revision Arrears | - | - |
| Sub- Total | 1,093,940 | 1,018,351 |
| Pipeline Revenue | 5,267 | 4,644 |
| Other Receipts | 9,858 | 12,387 |
| Accretion / (Decretion) in stock | (3,444) | 1,101 |
| Total Income from Operations | 1,105,621 | 1,036,483 |
| COST & EXPENSES | | |
| Operating, Selling & General | | |
| (a) Royalties | 111,574 | 121,057 |
| (b) Cess/ Excise Duty | 103,571 | 108,838 |
| (c) Natural Calamity Contingent Duty - Crude Oil | 1,081 | 1,127 |
| (d) Sales Tax | 7,823 | 2,947 |
| (e) Education Cess* | 1,784 | 1,861 |
| (f) Octroi & Port Trust Charges | 4,130 | 4,195 |
| Sub-total (a to f) | 229,963 | 240,025 |
| Pipeline Operations (Excluding Depreciation) | 10,725 | 10,343 |
| Other Operational Costs | 419,425 | 363,729 |
| Exchange Loss | 11,716 | 1,018 |
| Recouped Costs | | |
| (a) Depletion | 55,883 | 49,259 |
| (b) Depreciation | 21,822 | 27,874 |
| (c) Amortisation | 81,110 | 62,837 |
| (d) Impairment | (3,110) | (437) |
| Sub-Total (a to d) | 155,705 | 139,533 |
| Total Cost & Expenses | 827,534 | 754,648 |
| Operating Income Before Interest & Tax | 278,087 | 281,835 |
| Interest | | |
| -Payments | 2,386 | 1,135 |
| -Receipts | 35,336 | 28,510 |
| -Net | (32,950) | (27,375) |
| Profit before Tax and Extraordinary Items | 311,037 | 309,210 |
| Extraordinary Items | 658 | - |
| Profit before Tax | 311,695 | 309,210 |
| Corporate Tax (Net) | 110,094 | 106,999 |
| Profit after Tax | 201,601 | 202,211 |
| Share in Associates for the year | 99 | 21 |
| Profit relating to minority | 3,747 | 3,509 |
| Group Profit after Tax | 197,953 | 198,723 |
| Profit & Loss Account Balance b/f | 58,990 | 28,795 |
| Adjustments | (107) | - |
| Dividend | 68,444 | 68,444 |
| Tax on Dividend | 12,017 | 12,014 |
| Retained Earnings For The Year | 176,375 | 147,060 |

*upto 2005-06, education cess is included in respective heads of levies.



| 2006-07 | 2005-06 | 2004-05 | 2003-04 | 2002-03 | 2001-02 |
|----------|----------|----------|---------|----------|---------|
| 475,295 | 382,311 | 299,765 | 222,347 | 245,049 | 137,155 |
| 80,117 | 73,383 | 57,759 | 53,508 | 50,858 | 49,446 |
| 14,867 | 16,279 | 12,066 | 16,352 | 19,087 | 11,473 |
| 37,907 | 35,679 | 29,260 | 22,538 | 22,035 | 18,782 |
| 9,095 | 7,401 | 5,705 | 4,779 | 5,837 | 4,082 |
| 15,754 | 10,605 | 16,896 | 2,658 | 3,189 | 1,731 |
| 42,037 | 23,403 | 29,277 | 85 | 80 | - |
| 4,530 | 3,797 | 6,846 | - | - | - |
| 183,064 | 188,892 | 164,217 | 127,037 | 1,748 | 725 |
| 11 | 156 | 584 | 3,461 | 1,568 | 5,017 |
| 862,677 | 741,906 | 622,375 | 452,765 | 349,451 | 228,411 |
| 3,351 | 3,214 | 23 | 24 | 478 | 3,966 |
| 23,029 | 11,279 | 6,989 | 11,028 | 6,268 | 6,300 |
| 9,815 | (545) | 1,276 | 1,383 | (1,115) | 2 |
| 898,872 | 755,854 | 630,663 | 465,200 | 355,082 | 238,679 |
| 104,558 | 85,242 | 65,692 | 44,740 | 30,762 | 25,141 |
| 100,160 | 76,755 | 68,556 | 58,647 | 47,057 | 25,660 |
| 1,149 | 1,080 | 1,138 | 1,117 | 98 | - |
| 6,009 | 10,299 | 17,405 | 12,239 | 12,572 | 7,714 |
| 1,303 | - | - | - | - | - |
| 3,232 | 2,447 | 3,131 | 2,236 | 2,688 | 1,227 |
| 216,411 | 175,823 | 155,922 | 118,979 | 93,177 | 59,742 |
| 9,122 | 7,732 | 10,320 | 6,095 | 5,500 | 4,951 |
| 298,380 | 247,526 | 176,647 | 133,279 | 66,830 | 44,210 |
| (2,675) | (463) | 203 | 61 | 356 | 118 |
| 46,439 | 34,318 | 27,802 | 25,748 | 17,637 | 15,961 |
| 29,060 | 28,556 | 10,223 | 10,758 | 7,651 | 8,288 |
| 46,925 | 41,001 | 35,774 | 29,129 | 16,231 | 14,247 |
| 1,730 | (326) | 141 | 162 | 162 | 247 |
| 124,154 | 103,549 | 73,940 | 65,797 | 41,681 | 38,743 |
| 645,392 | 534,167 | 417,032 | 324,211 | 207,544 | 147,764 |
| 253,480 | 221,687 | 213,631 | 140,989 | 147,538 | 90,915 |
| 1,906 | 1,597 | 1,644 | 3,785 | 1,183 | 2,493 |
| 21,147 | 13,312 | 12,635 | 11,557 | 13,854 | 10,387 |
| (19,241) | (11,715) | (10,991) | (7,772) | (12,671) | (7,894) |
| 272,721 | 233,402 | 224,622 | 148,761 | 160,209 | 98,809 |
| 4,751 | 6,405 | - | - | - | - |
| 277,472 | 239,807 | 224,622 | 148,761 | 160,209 | 98,809 |
| 98,454 | 84,932 | 79,416 | 53,880 | 55,785 | 36,593 |
| 179,018 | 154,875 | 145,206 | 94,881 | 104,424 | 62,216 |
| 102 | 107 | 114 | 156 | (8) | - |
| 1,424 | 1,006 | 1,930 | 1,234 | (259) | - |
| 177,696 | 153,976 | 143,390 | 93,803 | 104,675 | 62,216 |
| 8,848 | 1 | 1 | - | 58 | (179) |
| - | - | - | - | - | - |
| 66,305 | 64,167 | 57,535 | 34,222 | 42,778 | 19,963 |
| 10,383 | 9,172 | 8,156 | 4,385 | 2,375 | - |
| 109,856 | 80,638 | 77,700 | 55,196 | 59,580 | 42,074 |

Statement of financial position of ONGC group

| | 2008-09 | 2007-08 |
|---|------------------|----------------|
| (Rupees in million) | | |
| RESOURCES | | |
| A. Own | | |
| 1. Net Worth | | |
| (a) Equity | | |
| i) Share Capital | 21,389 | 21,535 |
| ii) Reserves & Surplus | 900,846 | 759,331 |
| Sub-Total | 922,235 | 780,866 |
| (b) Less: Intangible Assets | 6,506 | 6,739 |
| Net Worth | 915,729 | 774,127 |
| 2. Long Term Liabilities | | |
| Deferred Tax Liability | 92,231 | 87,376 |
| Total Own Funds (1+2) | 1,007,960 | 861,503 |
| B. Minority Interest | 14,113 | 11,448 |
| C. Outside | | |
| 1. Unsecured Loans | | |
| a) Indian Loans | 6,015 | 2,079 |
| b) Foreign Loans | 1,492 | 1,458 |
| Total Unsecured Loans | 7,507 | 3,537 |
| 2. Secured Loans | 5,584 | 5,890 |
| Total Outside Resources | 13,091 | 9,427 |
| TOTAL RESOURCES (A+B+C) | 1,035,164 | 882,378 |
| DISPOSITION OF RESOURCES | | |
| A. Goodwill on consolidation | 114,039 | 25,777 |
| B. Block Capital | | |
| 1. Fixed Assets | 184,956 | 193,961 |
| 2. Producing Properties (Net) | 452,980 | 362,714 |
| Less: Liability for Abandonment Cost | 171,451 | 129,325 |
| Total Block Capital | 466,485 | 427,350 |
| C. Working Capital | | |
| a) Current Assets | | |
| i) Inventories | 65,424 | 72,985 |
| ii) Debtors (Net of Provision) | 71,814 | 70,469 |
| iii) Cash & Bank Balances | 156,331 | 186,525 |
| iv) Deposit with Bank Under Site Restoration Fund Scheme# | 69,624 | 64,034 |
| v) Loans & Advances and Others | 143,953 | 81,332 |
| Sub-Total | 507,146 | 475,345 |
| Less | | |
| b) Current Liabilities and Provisions and Short Term Loans (excl. Prov. for Gratuity, Abandonment & Impairment) | 334,889 | 235,143 |
| Working Capital | 172,257 | 240,202 |
| D. Capital Employed | 752,781 | 693,329 |
| E. Investments | 34,803 | 44,821 |
| F. Capital Works in Progress | 165,222 | 86,351 |
| G. Exploratory/Development Wells in Progress | 82,358 | 57,877 |
| TOTAL DISPOSITION | 1,035,164 | 882,378 |

Excluded for Current Ratio.



| 2006-07 | 2005-06 | 2004-05 | 2003-04 | 2002-03 | 2001-02 |
|---------|---------|---------|---------|---------|---------|
|---------|---------|---------|---------|---------|---------|

| | | | | | |
|---------|---------|---------|---------|---------|---------|
| 21,416 | 14,259 | 14,259 | 14,259 | 14,259 | 14,259 |
| 645,719 | 553,421 | 471,941 | 399,158 | 344,433 | 284,289 |
| 667,135 | 567,680 | 486,200 | 413,417 | 358,692 | 298,548 |
| 5,141 | 3,663 | 5,617 | 6,020 | 2,304 | 2,191 |
| 661,994 | 564,017 | 480,583 | 407,397 | 356,388 | 296,357 |

| | | | | | |
|---------|---------|---------|---------|---------|---------|
| 81,119 | 71,633 | 57,894 | 54,250 | 47,116 | 53,471 |
| 743,113 | 635,650 | 538,477 | 461,647 | 403,504 | 349,828 |
| 8,321 | 7,230 | 6,204 | 4,274 | 5,029 | - |

| | | | | | |
|---------|---------|---------|---------|---------|---------|
| 1,881 | 1,745 | 1,643 | 1,541 | 5,729 | 1,658 |
| 4,526 | 13,181 | 11,718 | 8,431 | 5,488 | 30,986 |
| 6,407 | 14,926 | 13,361 | 9,972 | 11,217 | 32,644 |
| 6,557 | 7,416 | 10,509 | 19,101 | 44,310 | - |
| 12,964 | 22,342 | 23,870 | 29,073 | 55,527 | 32,644 |
| 764,398 | 665,222 | 568,551 | 494,994 | 464,060 | 382,472 |

| | | | | | |
|---------|---------|---------|---------|---------|---------|
| 30,616 | 17,103 | 13,683 | 14,591 | 12,790 | - |
| 185,355 | 138,806 | 116,689 | 117,049 | 119,932 | 56,013 |
| 351,741 | 312,639 | 245,554 | 246,708 | 190,493 | 166,913 |
| 151,857 | 128,675 | 80,941 | 80,292 | 25,665 | 6,539 |
| 385,239 | 322,770 | 281,302 | 283,465 | 284,760 | 216,387 |

| | | | | | |
|---------|---------|---------|---------|---------|---------|
| 58,744 | 49,432 | 43,730 | 35,529 | 25,635 | 14,526 |
| 48,167 | 44,271 | 47,091 | 29,310 | 42,843 | 22,514 |
| 150,653 | 45,721 | 66,035 | 64,564 | 40,035 | 50,845 |
| 56,103 | 45,336 | 36,180 | 31,682 | 24,781 | 6,350 |
| 74,738 | 120,683 | 77,192 | 60,835 | 40,456 | 65,315 |
| 388,405 | 305,443 | 270,228 | 221,920 | 173,750 | 159,550 |

| | | | | | |
|---------|---------|---------|---------|---------|---------|
| 185,997 | 132,279 | 134,880 | 114,211 | 81,822 | 64,150 |
| 202,408 | 173,164 | 135,348 | 107,709 | 91,928 | 95,400 |
| 618,263 | 513,037 | 430,333 | 405,765 | 389,478 | 311,787 |
| 35,832 | 35,579 | 26,555 | 30,307 | 30,603 | 30,232 |
| 64,055 | 76,292 | 87,775 | 13,520 | 9,338 | 6,903 |
| 46,248 | 40,314 | 23,888 | 45,402 | 34,641 | 33,550 |
| 764,398 | 665,222 | 568,551 | 494,994 | 464,060 | 382,472 |



School children visiting the ONGC pavilion during Petrotech 2009 exhibition at New Delhi



Auditors' Report



Report of the Auditors to the Board of Directors of Oil and Natural Gas Corporation Limited on the Consolidated Financial Statements of Oil and Natural Gas Corporation Limited, its Subsidiaries, Joint ventures and Associates

We have audited the attached Consolidated Balance Sheet of Oil and Natural Gas Corporation Limited ("the Company"), and its subsidiaries, joint ventures and associates (hereinafter referred to as "Group"), as at March 31, 2009 and the consolidated profit and loss account and consolidated cash flow statement for the year ended on that date and annexed thereto. These financial statements are the responsibility of the management of the company and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21- 'Consolidated Financial Statements', and Accounting Standard (AS) 23-'Accounting for Investment in Associates in Consolidated Financial Statements' and Accounting Standard (AS) 27-'Financial Reporting of Interests in Joint Ventures'.

3. These financial statements include company's share in the total value of assets, liabilities, expenditure, income and net profit of 110 NELPs / Joint Ventures (JVs) accounts for exploration and production out of which 36 NELPs / Joint Venture accounts have been audited by one of the firms of Statutory Auditors, 55 NELPs / JVs accounts certified by other firms of Chartered Accountants and 19 NELPs/JVs are as certified by the management.

4. We did not audit the financial statements of the following Joint Venture companies:

(Rs. in million)

| Name of Joint Venture | Company's share of Total Assets | Company's share of Total Revenue |
|------------------------------------|---------------------------------|----------------------------------|
| Petronet LNG Ltd. | 6,786.92 | 10,631.49 |
| Petronet MHB Ltd. | 1,343.40 | 186.60 |
| ONGC Petro Additions Ltd. | 5,357.34 | NIL |
| Mangalore SEZ Ltd. | 1,131.55 | 7.20 |
| ONGC Mangalore Petrochemicals Ltd. | 1,684.80 | 18.22 |
| ONGC Tripura Power Company Ltd. | 1,959.25 | 14.24 |
| ONGC Teri Biotech Ltd. | 11.66 | 4.04 |

These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these respective Joint Venture companies is based solely on the report of the respective auditors.

5. We did not audit the financial statements of Mangalore Refinery and Petrochemicals Limited, a subsidiary, whose financial statements reflect total assets of Rs.107,143.41 million as at March 31, 2009 and total revenues of Rs.384,303.82 million and net cash flow amounting to Rs. 13,621.35 million for the year ended on that date. These financial statements have been audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of this subsidiary is based solely on the report of those auditors.
6. We did not audit the consolidated financial statements of ONGC Videsh Limited (OVL), a subsidiary, whose financial statements reflect total assets of Rs. 389,783.23 million as at March 31, 2009 and total revenues of Rs. 184,190.07 million and net cash flow amounting to Rs. (-) 5,566.27 million for the year ended on that date. These consolidated financial statements of OVL audited by other auditors whose consolidated report have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the above is based solely on the report of those auditors. These consolidated financial statements of OVL comprises of:
- (a) Consolidated financial statements of the following subsidiaries / Joint Venture Companies which are prepared under respective local laws / Production Sharing Contract/ Joint Operating Agreement, in so far as it relates to the amount of JV's in subsidiaries.

(Rs. in million)

| Particulars | Total Asset | Total Liability | Revenue | Expenditure |
|---|-------------|-----------------|------------|-------------|
| Subsidiaries (Audited by local firm of auditors) | | | | |
| ONGC Nile Ganga BV | 148,597.89 | 48,266.12 | 112,888.82 | 97,136.38 |
| ONGC Narmada Ltd. | 693.96 | 1,148.11 | 9.13 | 122.22 |
| ONGC Amazon Alaknanda Ltd. | 32,543.97 | 2,067.04 | 7,457.44 | 3,809.77 |
| Jarpeno Ltd. (prepared under Indian GAAP) | 110,197.68 | 116,154.53 | 771.64 | 2,520.23 |
| JV Company (audited by local firm of auditors) | | | | |
| ONGC Mittal Energy Ltd. | 7,060.59 | 6,487.52 | 58.55 | 992.27 |

- (b) Company's share of Assets, Liabilities, Revenues and Expenditure in the Joint Ventures of OVL include 11 projects held in the books of the respective Subsidiary/Joint venture as mentioned in 6(a) above and 11 projects which have been certified under respective local laws / Production Sharing Contract/ Joint Operating Agreement by local audit firm and 7 projects have been certified by the management as detailed in Note 22.1.1 of Schedule 27.



7. For the purpose of consolidation of financial statements of Pawan Hans Helicopters Ltd, an associate, the share of profit for the year ended 31st March 2008 & 31st March, 2009 (amounting to Rs.47.56 million & Rs.51.27 million respectively) has been considered in the current year due to the reasons explained in Note 3.2 in Schedule 27. We did not audit the financial statements of this associate which have been audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of this associate, is based solely on the report of the other auditors.
8. We have placed reliance on technical / commercial evaluation by the management in respect of categorization of wells as exploratory, development and producing, allocation of cost incurred on them, depletion of producing properties on the basis of proved developed hydrocarbon reserves, liability for abandonment costs, liabilities under NELP for under performance against Minimum Work Programme and allocation of depreciation on process platforms to transportation and facilities.
9. The auditors of OVL in their audit report have invited attention to the following matters which are reproduced below (Refer Note 17.2 in Schedule 27):
- (a) 'The auditor of Jarpeno Limited (100% Subsidiary of OVL) have opined that "the group has performed an impairment test on the value in use basis which accords with normal oil and gas industry practice. However, no adjustment for impairment has been made to the financial information on the grounds that impairment will be considered at the OVL parent company level. In accordance with paragraph 47 of Indian GAAP Accounting Standard 28 "Impairment of Assets" the discount rate used for the value in use calculations should "reflect current market assessments of the time value of money and the risks specific to the asset". In our opinion the discount rate applicable to upstream oil and gas assets in Russia, presented in US dollars with underlying exposure to the Russian Rouble, should not be less than 15%. Using a discount rate of 15% would result in an impairment charge of USD 988 million. Accordingly goodwill would be impaired by an amount of USD 988 million such that the carrying value at 31 March 2009 would be USD 555 million. The loss for the year and accumulated deficit would be increased by USD 988 million." The company has made a disclosure on this stating its position in the above mentioned Note'.
- (b) Note No. 31(ii) of Schedule-27 regarding expense head-wise details as required by Schedule VI to the Companies Act, 1956.
- (c) The expenditure for production, transportation, selling and distribution are classified in Schedule-20 under production expenditure, royalty and other expenses, since further details are not available in respect of Joint Ventures.
10. Further, we report that on the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company, its subsidiaries, joint ventures and associates and certification of management in respect of unaudited accounts referred to in Para 3 and 6 above, and read with in particular Para 9 above, we are of the opinion that the consolidated financial statements read with notes to accounts and in particular Note 7 of Schedule 27 in respect of recognition of Sales Revenue of crude oil and natural gas and Note 32 of Schedule 27 regarding non disclosure of information relating to AS-15 (Employee Benefits) and AS-29 (Contingent Liabilities, Provision & Contingent Assets) due to reasons stated therein, above give a true and fair view in conformity with the accounting principles generally accepted in India:
- in the case of the Consolidated Balance Sheet of the state of affairs of the Group as at March 31, 2009; and
 - in the case of the Consolidated Profit and Loss Account of the results of the Group for the year ended on that date; and
 - in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Arun K. Agarwal & Associates
Chartered Accountants

Arun Agarwal
Partner (Mem. No. 82899)

For Kalyaniwalla & Mistry
Chartered Accountants

Ermin K. Irani
Partner (Mem. No. 35646)

For Singhi & Co.
Chartered Accountants

Nikhil Singhi
Partner (Mem. No. 61567)

For Padmanabhan Ramani & Ramanujam
Chartered Accountants

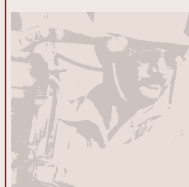
G.Vivekananthan
Partner (Mem. No. 28339)

For P.S.D. & Associates
Chartered Accountants

Manish Agarwal
Partner (Mem.No. 406996)

New Delhi
June 24, 2009

Consolidated Balance Sheet as at 31st March, 2009



(Rupees in million)

| | Schedule | As at 31 st March, 2009 | As at 31 st March, 2008 |
|---|----------|--|--|
| SOURCES OF FUNDS | | | |
| SHAREHOLDERS' FUNDS | | | |
| Share Capital | 1 | 21,388.87 | 21,388.87 |
| Call Money | | 0.00 | 145.79 |
| Reserves and Surplus | 2 | <u>900,846.13</u> | <u>759,331.47</u> |
| | | 922,235.00 | 780,866.13 |
| MINORITY INTEREST | | 14,113.51 | 11,448.30 |
| LOAN FUNDS | | | |
| Secured Loans | 3 | 5,583.83 | 5,890.34 |
| Unsecured Loans | 4 | <u>60,007.47</u> | <u>3,554.29</u> |
| DEFERRED TAX LIABILITY (NET) | | 92,230.83 | 87,375.50 |
| LIABILITY FOR ABANDONMENT COST | | 171,451.24 | 129,324.72 |
| TOTAL | | <u>1,265,621.88</u> | <u>1,018,459.28</u> |
| APPLICATION OF FUNDS | | | |
| GOODWILL ON CONSOLIDATION | | | |
| Gross | | 124,603.65 | 33,402.40 |
| Less: Amortisation | | <u>10,564.74</u> | <u>7,625.12</u> |
| NET | | 114,038.91 | 25,777.28 |
| FIXED ASSETS | | | |
| Gross Block | 5 | 784,247.57 | 736,384.96 |
| Less: Depreciation and Impairment | | <u>599,291.73</u> | <u>542,423.94</u> |
| | | 184,955.84 | 193,961.02 |
| CAPITAL WORKS-IN-PROGRESS (NET) | 6 | <u>165,221.80</u> | <u>86,350.93</u> |
| NET BLOCK | | 350,177.64 | 280,311.95 |
| PRODUCING PROPERTIES | | | |
| Gross Cost | 7 | 913,234.25 | 758,543.99 |
| Less: Depletion and Impairment | | <u>460,253.83</u> | <u>395,829.94</u> |
| NET PRODUCING PROPERTIES | | 452,980.42 | 362,714.05 |
| EXPLORATORY/DEVELOPMENT WELLS -IN-PROGRESS (NET) | 8 | 82,358.51 | 57,876.54 |
| INVESTMENTS | | 34,803.47 | 44,821.36 |
| CURRENT ASSETS, LOANS AND ADVANCES | | | |
| Inventories | 9 | 65,423.89 | 72,984.82 |
| Sundry Debtors | 10 | 71,813.51 | 70,469.39 |
| Cash and Bank Balances | 11A | 156,331.20 | 186,524.95 |
| Deposit with Bank Under Site Restoration Fund Scheme | 11B | 69,624.35 | 64,033.51 |
| Other Current Assets | 12 | 11,309.10 | 10,651.83 |
| Loans and Advances | 13 | <u>132,644.25</u> | <u>70,680.46</u> |
| | | <u>507,146.30</u> | <u>475,344.96</u> |
| LESS: CURRENT LIABILITIES AND PROVISIONS | | | |
| Current Liabilities | 14 | 200,232.04 | 167,213.53 |
| Provisions | 15 | <u>82,157.55</u> | <u>67,912.55</u> |
| | | <u>282,389.59</u> | <u>235,126.08</u> |
| NET CURRENT ASSETS | | 224,756.71 | 240,218.88 |
| MISCELLANEOUS EXPENDITURE | 16 | 6,506.22 | 6,739.22 |
| (To the extent not written off or adjusted) | | | |
| TOTAL | | <u>1,265,621.88</u> | <u>1,018,459.28</u> |
| SIGNIFICANT ACCOUNTING POLICIES | | | |
| NOTES TO THE ACCOUNTS | | | |
| | 26 | | |
| | 27 | | |

Schedules referred to above form an integral part of the Balance Sheet

N.K. Sinha
Company Secretary

For and on behalf of the Board
D.K. Sarraf
Director (Finance)

R.S.Sharma
Chairman & Managing Director

In terms of our report of even date attached

For Arun K. Agarwal & Associates
Chartered Accountants

Arun Agarwal
Partner (Mem. No. 82899)

For Kalayaniwalla & Mistry
Chartered Accountants

Ermin K. Irani
Partner (Mem. No. 35646)

New Delhi
June 24, 2009

For Singhi & Co.
Chartered Accountants

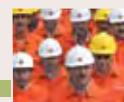
Nikhil Singhi
Partner (Mem. No. 61567)

For Padmanabhan, Ramani & Ramanujam
Chartered Accountants

G. Vivekananthan
Partner (Mem. No. 28339)

For P.S.D. & Associates
Chartered Accountants

Manish Agarwal
Partner (Mem. No. 406996)



Consolidated Profit and Loss Account for the Year Ended 31st March, 2009

(Rupees in million)

| | schedule | 2008-09 | 2007-08 |
|---|----------|---------------------|---------------------|
| INCOME | | | |
| Gross Sales | 17 | 1,094,129.42 | 1,018,349.12 |
| Less : Excise Duty | | 48,245.55 | 50,527.37 |
| Net Sales | | 1,045,883.87 | 967,821.75 |
| Other Income | 18 | 50,721.47 | 45,410.91 |
| | | 1,096,605.34 | 1,013,232.66 |
| EXPENDITURE | | | |
| Increase/(Decrease) in stocks | 19 | 3,444.04 | (1,100.87) |
| Purchases | | 0.25 | 0.45 |
| Production, Transportation, Selling and Distribution Expenditure | 20 | 610,190.77 | 556,370.84 |
| Depreciation, Depletion, Amortisation and Impairment | 21 | 154,303.84 | 138,877.68 |
| Financing Costs | 22 | 2,385.07 | 1,135.25 |
| Provisions and Write-offs (Net) | 23 | 15,349.95 | 7,808.50 |
| | | 785,673.92 | 703,091.85 |
| Profit before Tax, Prior Period and Extraordinary Items | | 310,931.42 | 310,140.81 |
| Adjustments relating to Prior Period (Net) | 24 | 105.75 | (930.09) |
| Extraordinary Items (Refer Note 9 of Sch-27) | | 657.73 | 0.00 |
| Profit before Tax | | 311,694.90 | 309,210.72 |
| Provision for Taxation | | | |
| - Current Tax (including Wealth Tax Rs. 39.17 million Previous year Rs. 39.05 million) | | 110,335.27 | 102,554.64 |
| - For Earlier years | | (4,463.88) | (2,681.63) |
| - Deferred Tax | | 3,500.97 | 6,499.42 |
| - Fringe Benefit Tax | | 721.07 | 627.04 |
| Profit after Taxation | | 201,601.47 | 202,211.25 |
| Add: Share of Profit/(Loss) in Associate | | 98.83 | 20.50 |
| Less: Share of Profit/(Loss)- Minority Interest | | 3,746.86 | 3,509.14 |
| Group Profit after Tax | | 197,953.44 | 198,722.61 |
| Surplus at the beginning | | 58,989.56 | 28,794.91 |
| Adjustments for minority interest due to change in share holding | | (107.30) | 0.00 |
| BALANCE AVAILABLE FOR APPROPRIATION | | 256,835.70 | 227,517.52 |
| APPROPRIATIONS | | | |
| Proposed Dividend on Preference Shares | | 0.01 | 0.01 |
| Proposed Dividend on Equity Shares | | 29,944.22 | 29,944.22 |
| Capital Redemption Reserve | | 0.10 | 0.00 |
| Tax on Proposed Dividend | | 5,474.39 | 5,470.41 |
| Interim Dividend | | 38,499.71 | 38,499.71 |
| Tax on Interim Dividend | | 6,543.02 | 6,543.02 |
| Transfer to General Reserve | | 83,039.02 | 88,070.59 |
| Balance carried to Balance Sheet | | 93,335.23 | 58,989.56 |
| | | 256,835.70 | 227,517.52 |
| EARNINGS PER EQUITY SHARE | | | |
| (Face Value Rs. 10/-Per Share) | 25 | | |
| Basic & Diluted (Amount in Rs.) | | | |
| - before extraordinary items (net of tax) | | 92.35 | 92.91 |
| - after extraordinary items | | 92.55 | 92.91 |
| SIGNIFICANT ACCOUNTING POLICIES | | | |
| NOTES TO THE ACCOUNTS | | | |
| | 26 | | |
| | 27 | | |

Schedules referred to above form an integral part of the Profit & Loss Account

For and on behalf of the Board

N.K. Sinha
Company Secretary

D.K. Sarraf
Director (Finance)

R.S.Sharma
Chairman & Managing Director

In terms of our report of even date attached

For Arun K. Agarwal & Associates
Chartered Accountants

Arun Agarwal
Partner (Mem. No. 82899)

For Kalayaniwalla & Mistry
Chartered Accountants

Ermin K. Irani
Partner (Mem. No. 35646)

New Delhi
June 24, 2009

For Singhi & Co.
Chartered Accountants

Nikhil Singhi
Partner (Mem. No. 61567)

For Padmanabhan, Ramani & Ramanujam
Chartered Accountants

G. Vivekananthan
Partner (Mem. No. 28339)

For P.S.D. & Associates
Chartered Accountants

Manish Agarwal
Partner (Mem. No. 406996)

Schedule to the Consolidated Balance Sheet

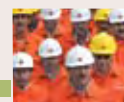
Schedule-1

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|--|--|--|
| SHARE CAPITAL | | |
| Authorised: | | |
| 15000,000,000 Equity Shares of Rs. 10 each | <u>150,000.00</u> | <u>150,000.00</u> |
| Issued and Subscribed: | | |
| 2138,891,502 Equity Shares of Rs. 10 each | <u>21,388.92</u> | <u>21,388.92</u> |
| Paid up : | | |
| 2138,872,530 Equity Shares of Rs. 10 each | 21,388.73 | 21,388.73 |
| Add: Shares forfeited | <u>0.14</u> | <u>0.14</u> |
| | 21,388.87 | 21,388.87 |
| TOTAL | <u>21,388.87</u> | <u>21,388.87</u> |

Notes: The above includes:

- (i) 342,853,716 Equity Shares issued as fully paid up to the President of India without payment being received in cash in terms of Oil and Natural Gas Commission (Transfer of Undertaking and Repeal) Act, 1993.
- (ii) 1,789,397,876 Equity Shares issued as fully paid up by way of bonus shares by capitalisation of General Reserve and Securities Premium.



Schedule to the consolidated balance sheet Schedule-2

(Rupees in million)

| | | As at 31 st March, 2009 | | As at 31 st March, 2008 |
|---|------------------|--|------------------|--|
| RESERVES AND SURPLUS | | | | |
| Capital Reserve * | | | | |
| a) Opening Balance | 931.18 | | 333.52 | |
| b) Addition during the year ** | <u>171.84</u> | 1,103.02 | <u>597.66</u> | 931.18 |
| Deferred Government Grant | | | | |
| a) Opening Balance | 51.75 | | 57.52 | |
| b) Addition during the year | 0.00 | | 6.14 | |
| c) Deduction during the year *** | <u>7.02</u> | | <u>11.91</u> | |
| | | 44.73 | | 51.75 |
| Securities Premium Account | | 312.45 | | 312.45 |
| Capital Redemption Reserve | | 0.10 | | 0.00 |
| Insurance Reserve | | 2,500.00 | | 2,500.00 |
| General Reserve | | | | |
| a) Opening Balance | 705,112.48 | | 617,041.89 | |
| b) Transferred from Profit and Loss Account | <u>83,039.02</u> | | <u>88,070.59</u> | |
| | | 788,151.50 | | 705,112.48 |
| Foreign Exchange Translation Reserve | | 15,399.10 | | (8,565.95) |
| Profit and Loss Account | | 93,335.23 | | 58,989.56 |
| TOTAL | | <u>900,846.13</u> | | <u>759,331.47</u> |

Note: Includes Rs. 435.09 million share of jointly controlled entities. (Previous year Rs. 668.36 million)

* Includes Rs. 159.44 million being assessed value of assets received as gift.

** Includes Capital Reserve on Consolidation Rs. 4.18 million (Previous year Nil)

*** Represents the amount equivalent to Depreciation for the year transferred to Profit and Loss Account.

Schedule to the consolidated balance sheet

Schedule-3

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|--|--|--|
| SECURED LOANS | | |
| (a) Foreign Currency Term Loans | | |
| - From Banks | 914.75 | 1,531.14 |
| (b) Rupee Term Loans | | |
| - From Banks | 3,560.45 | 2,907.51 |
| - From Financial Institutions | - | 725.30 |
| - From Others | <u>1,062.07</u> | <u>233.82</u> |
| | 4,622.52 | 3,866.63 |
| (c) Working Capital facilities | | |
| - Rupee Loans from Banks | 46.56 | 492.57 |
| TOTAL | <u>5,583.83</u> | <u>5,890.34</u> |

Note: Includes Rs. 3,194.43 million share of jointly controlled entities. (Previous year Rs. 2,388.30 million)

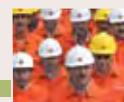
Schedule-4

Report  junction.com

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|---|--|--|
| UNSECURED LOANS | | |
| (a) Long Term | | |
| Foreign Currency Loans: | | |
| - From Banks/Financial Institutions | 267.35 | 369.42 |
| Sales Tax Deferment Loan | 2,478.64 | 2,078.64 |
| (b) Non - Recourse deferred credit (Foreign Currency Loan) (in respect of Joint Venture) | 1,225.36 | 1,089.32 |
| (c) Short term loan-Commercial Paper | 52,500.00 | 0.00 |
| (d) Other Loans | 3,536.12 | 16.91 |
| TOTAL | <u>60,007.47</u> | <u>3,554.29</u> |
| Repayable within one year | 56,419.51 | 296.57 |

Note: Includes Rs. 9,815.60 million share of jointly controlled entities. (Previous year Rs. 16.90 million)



Schedule to the consolidated balance sheet

Schedule-5

Fixed Assets

(Rupees in million)

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION AND IMPAIRMENT | | | | | NET BLOCK | | |
|--|---|---------------------------------|--|---|--|-------------------|-----------------|-----------------|--|--|---|---|
| | As at 1 st April, 2008 | Additions during the year | Deletions/ adjust- ments during the year | As at 31 st March, 2009 | Upto 31 st March 2008 | Deprecia- tion | Impairment Loss | | Deletions/ Adjust- ments during the year | Upto 31 st March, 2009 | As at 31 st March, 2009 | As at 31 st March, 2008 |
| | | | | | | | Charged | Reversed | | | | |
| Land | | | | | | | | | | | | |
| i) Freehold | 2,038.13 | 272.05 | 79.54 | 2,230.64 | 37.80 | 0.00 | 0.02 | 18.15 | 0.00 | 19.67 | 2,210.97 | 2,000.33 |
| ii) Leasehold | 5,882.89 | 2,604.69 | 7.97 | 8,479.61 | 259.43 | 51.15 | 0.00 | 0.00 | 0.83 | 309.75 | 8,169.86 | 5,623.46 |
| Buildings and Bunk Houses | 18,355.12 | 1,874.70 | (277.38) | 20,507.20 | 7,182.94 | 763.01 | 15.31 | 167.79 | (0.93) | 7,794.40 | 12,712.80 | 11,172.18 |
| Railway Sidings | 134.62 | 0.00 | 0.00 | 134.62 | 81.24 | 1.38 | 0.00 | 0.00 | 0.00 | 82.62 | 52.00 | 53.38 |
| Plant and Machinery | | | | | | | | | | | | |
| i) Owned | 685,013.64 | 39,911.87 | 1,006.47 | 723,919.04 | 518,425.19 | 54,110.07 | 111.67 | 790.24 | 934.71 | 570,921.98 | 152,997.06 | 166,588.45 |
| ii) Taken on Lease | 428.13 | 0.00 | 0.00 | 428.13 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | - | 428.13 | 428.13 |
| Furniture and Fittings | 14,581.58 | 628.24 | (1,582.63) | 16,792.45 | 9,030.54 | 965.45 | 2.48 | 34.52 | (1,438.77) | 11,402.72 | 5,389.73 | 5,551.04 |
| Vehicles, Survey Ships, Crew Boats, Aircrafts and Helicopters | 5,965.26 | 302.36 | (372.27) | 6,639.89 | 4,553.15 | 586.40 | 6.51 | 22.39 | (60.18) | 5,183.85 | 1,456.04 | 1,412.11 |
| | 732,399.37 | 45,593.91 | (1,138.30) | 779,131.58 | 539,570.29 | 56,477.46 | 135.99 | 1,033.09 | (564.34) | 595,714.99 | 183,416.59 | 192,829.08 |
| Intangibles | 3,985.59 | 831.95 | (298.45) | 5,115.99 | 2,853.65 | 731.42 | 0.00 | 20.47 | (12.14) | 3,576.74 | 1,539.25 | 1,131.94 |
| TOTAL | 736,384.96 | 46,425.86 | (1,436.75) | 784,247.57 | 542,423.94 | 57,208.88 | 135.99 | 1,053.56 | (576.48) | 599,291.73 | 184,955.84 | 193,961.02 |
| Previous year | 671,590.53 | 67,359.31 | 2,564.88 | 736,384.96 | 486,235.49 | 58,117.29 | 45.75 | 15.27 | 1,959.32 | 542,423.94 | 193,961.02 | |
| The above includes the Corporation's share in Joint Venture Assets | 110,836.18 | 4,457.89 | (3,985.10) | 119,279.17 | 57,593.17 | 13,182.69 | 28.61 | 0.00 | (3,074.39) | 73,878.86 | 45,400.31 | |
| Previous year | 80,628.13 | 30,257.52 | 49.47 | 110,836.18 | 26,981.18 | 30,642.62 | 0.00 | 15.27 | 15.36 | 57593.17 | 53,243.01 | |

Notes:

1. Additions to Plant and Machinery are net of Rs. 4756.66 million on account of foreign currency translation adjustment during the year (Previous year Rs. 390.84 million).
2. Land includes land in respect of a certain projects for which execution of lease/conveyance deeds are in process.
3. Registration of title deeds in respect of certain Buildings is pending execution.
4. Plant & Machinery-owned includes an amount of Rs. 782.98 million (Previous year Rs. 782.98 million) being MRPL's share of an asset jointly owned with another company.
5. Net Fixed Assets include Rs. 3,920.95 million share of jointly controlled entities. (Previous year Rs. 3920.27 million)
6. Depreciation for the year includes Rs. 150.62 million taken to prior period. (Previous year Rs. 81.79 million)
7. Plant & Machinery includes Jetty & Trestle (gross block of Rs. 567.92 million). As per the agreement, ownership of assets will be transferred to the Gujarat Maritime Board in the year 2035.

Schedule to the consolidated balance sheet

Schedule-6

(Rupees in million)

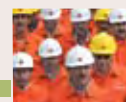
| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|--|--|--|
| CAPITAL WORKS-IN-PROGRESS | | |
| Buildings | 266.61 | 2,441.81 |
| Plant and Machinery | 119,496.68 | 67,897.23 |
| Overseas Projects | 29,286.46 | 11,687.84 |
| Advances for Capital Works and Progress Payments | 7,413.97 | 2,087.82 |
| Capital Stores (including in transit) | 1,847.39 | 1,346.34 |
| Less: Provision for Non Moving Items | <u>141.11</u> | <u>56.60</u> |
| Others | 7,284.66 | 1,351.64 |
| TOTAL | <u>165,454.66</u> | <u>86,756.08</u> |
| Less : Impairment | | |
| Opening balance | 405.15 | 559.00 |
| Impairment provided for the year | 143.63 | 39.15 |
| Transfer to Fixed Assets | (276.64) | (160.10) |
| Reversed during the year | (39.28) | (32.90) |
| TOTAL | <u>232.86</u> | <u>405.15</u> |
| NET CAPITAL WORKS- IN- PROGRESS | <u>165,221.80</u> | <u>86,350.93</u> |

Note: Includes Rs. 14,148.92 million share of jointly controlled entities. (Previous year Rs. 1,774.74 million)

Schedule-7

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|---|--|--|
| PRODUCING PROPERTIES | | |
| Gross Cost | | |
| Opening Balance | 758,543.99 | 699,863.59 |
| Acquisition Cost | 2,019.05 | 0.00 |
| Expenditure during the year | 7,671.43 | 6,063.95 |
| Depreciation on facilities | 19,251.65 | 17,147.91 |
| Transfer from Exploratory Wells-in-Progress | 2,700.48 | 3,593.84 |
| Transfer from Development Wells-in-Progress | 54,842.96 | 60,297.52 |
| Increase / (Decrease) in estimated Abandonment Cost | 37,845.56 | (22,464.56) |
| Foreign Currency Translation Adjustments | 12,052.11 | (5,319.34) |
| Other Adjustments | 18,307.02 | (638.92) |
| Total (Gross) | <u>913,234.25</u> | <u>758,543.99</u> |
| Less: Depletion & Impairment | | |
| Opening Balance | 395,829.94 | 348,122.66 |
| Depletion for the Year | 55,883.07 | 49,258.52 |
| Transfer of Impairment from Development Wells in Progress | 98.61 | 145.44 |
| Foreign Currency Translation Adjustments | 6,863.62 | (1,190.02) |
| Impairment provided for the year | 893.97 | 0.00 |
| Write back / Reversed during the year | (3,096.95) | (506.51) |
| Other Adjustments | 3,781.57 | (0.15) |
| Total | <u>460,253.83</u> | <u>395,829.94</u> |
| NET PRODUCING PROPERTIES | <u>452,980.42</u> | <u>362,714.05</u> |



Schedule to the consolidated balance sheet Schedule-8

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|---|--|--|
| EXPLORATORY/DEVELOPMENT WELLS -IN-PROGRESS | | |
| A) EXPLORATORY WELLS-IN-PROGRESS | | |
| Gross Cost | | |
| Opening Balance | 46,474.36 | 34,306.66 |
| Expenditure during the year | 53,933.48 | 38,232.41 |
| Less : Sale proceeds of Oil and Gas (Net of levies) | 47.31 | 13.63 |
| | <u>53,886.17</u> | <u>38,218.78</u> |
| | <u>100,360.53</u> | <u>72,525.44</u> |
| Less : | | |
| Transfer to Producing Properties | 2,700.48 | 3,593.84 |
| Wells written off during the year | 36,754.72 | 22,267.79 |
| Other Adjustments | (6,359.03) | 392.22 |
| Foreign Currency Translation Adjustments | (1,782.77) | (202.77) |
| | <u>69,047.13</u> | <u>46,474.36</u> |
| Less: Provision for Dry Wells | 8,529.89 | 6,104.80 |
| EXPLORATORY WELLS-IN-PROGRESS | <u>60,517.24</u> | <u>40,369.56</u> |
| B) DEVELOPMENT WELLS-IN-PROGRESS | | |
| Opening Balance | 17,767.20 | 12,346.76 |
| Expenditure during the year | 58,325.95 | 65,363.92 |
| Other Adjustments | 0.00 | 272.02 |
| Foreign Currency Translation Adjustments | 658.57 | 82.02 |
| Less: Transfer to Producing Properties | 54,842.96 | 60,297.52 |
| | <u>21,908.76</u> | <u>17,767.20</u> |
| Less : Impairment | | |
| Opening balance | 260.22 | 405.66 |
| Transfer to Producing Properties | (98.61) | (145.44) |
| Provision for the year | 67.00 | 0.00 |
| Write back / Reversed during the year | (161.12) | 0.00 |
| | <u>67.49</u> | <u>260.22</u> |
| NET DEVELOPMENT WELLS - IN - PROGRESS | <u>21,841.27</u> | <u>17,506.98</u> |
| EXPLORATORY/DEVELOPMENT WELLS -IN-PROGRESS (A+B) | <u>82,358.51</u> | <u>57,876.54</u> |

Note: Includes Rs. 1,156.67 million share of jointly controlled entities.(Previous year Rs. 4,459.90 million)

Schedule to the consolidated balance sheet

Schedule-9

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|---|--|--|
| INVENTORIES | | |
| Finished Goods | 15,209.57 | 17,302.38 |
| Raw Material | | |
| - in hand | 5,047.45 | 14,702.13 |
| - in transit | <u>3,721.26</u> | <u>5,594.62</u> |
| | 8,768.71 | 20,296.75 |
| Stock in Process | 692.84 | 1,473.30 |
| Stores and spare parts | | |
| - in hand | 40,534.31 | 35,554.94 |
| - in transit (including inter-project transfers) | <u>4,222.79</u> | <u>2,607.48</u> |
| | 44,757.10 | 38,162.42 |
| Less: Provision for Non Moving Stores and Spare parts | <u>4,143.12</u> | <u>4,398.42</u> |
| | 40,613.98 | 33,764.00 |
| Unserviceable Items | 138.79 | 148.39 |
| TOTAL | <u>65,423.89</u> | <u>72,984.82</u> |

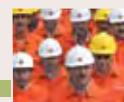
Note: Includes Rs. 513.86 million share of jointly controlled entities. (Previous year Rs. 145.56 million)

Schedule-10

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|--|--|--|
| SUNDRY DEBTORS | | |
| (Unsecured, Considered Good unless otherwise stated) | | |
| Debts | | |
| Outstanding for a period exceeding six months : | | |
| - Considered Good | 1,779.36 | 2,760.21 |
| - Considered Doubtful | 3,559.31 | 3,259.00 |
| Other Debts : | | |
| - Considered Good | 70,034.15 | 67,709.18 |
| - Considered Doubtful | <u>16.62</u> | <u>25.76</u> |
| | 75,389.44 | 73,754.15 |
| Less: Provision for Doubtful Debts | <u>3,575.93</u> | <u>3,284.76</u> |
| TOTAL | <u>71,813.51</u> | <u>70,469.39</u> |

Note: Includes Rs. 861.71 million share of jointly controlled entities. (Previous year Rs. 444.48 million)



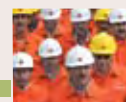
Schedule to the consolidated balance sheet

Schedule-11

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|---|--|--|
| A) CASH AND BANK BALANCES | | |
| Cash balance in Hand* | 16.29 | 16.09 |
| Balances with Scheduled Banks in: | | |
| Current Accounts | 9,104.21 | 4,565.47 |
| Margin Money Deposit Account | 0.00 | 0.01 |
| Fixed Deposits | 139,073.17 | 179,493.95 |
| Balances with Non-Scheduled Banks in: | | |
| Current Accounts with Commerz Bank - Frankfurt (Maximum balance during the year Rs. 2.97 million Previous year Rs. 3.17 million.) | 0.00 | 2.97 |
| SB Dollar Account with Bank for Foreign Trade of Vietnam, HCMC Vietnam (Maximum balance during the year Rs. 483.04 million Previous year Rs. 548.54 million) | 0.25 | 0.08 |
| SB VND Account with Bank for Foreign Trade of Vietnam, HCMC Vitenam (Maximum balance during the year Rs. 105.02 million Previous year Rs. 545.74 million) | 0.12 | 0.10 |
| Current Account (USD) with Banco Fincerio Internacional SA, Cuba (Maximum balance during the year Rs. 28.96 million Previous year Rs. 4.77 million) | 0.45 | 1.52 |
| Current account with CITI Bank, London (Maximum balance during the year Rs. 465.73 million Previous year Rs. 3.17 million) | 241.79 | 179.06 |
| Current account with Barclays Bank, London (Maximum balance during the year Rs. 308.15 million Previous year Rs. 6.80 million) | 115.80 | 6.80 |
| Current Account (USD) with Bank of Commerce and Development Libya (Maximum balance during the year Rs. 2.49 million Previous year Rs. 3.49 million) | 0.51 | 1.01 |
| Current Account (LDD) with Bank of Commerce and Development Libya (Maximum balance during the year Rs. 2.12 million Previous year Rs. 2.43 million) | 0.35 | 0.32 |
| Current Account EN Bank, Tehran (AED) (Maximum balance during the year Rs. 1.55 million Previous Year Rs. 0.96 million) | 0.00 | 0.39 |
| Current Account EN Bank, Tehran (AED) (Maximum balance during the year Rs. 2.94 million Previous Year Rs. 0.26 million) | 0.29 | 0.01 |
| Current Account Banco De Credito Helm Financial Service, Colombia (COP) (Maximum balance during the year Rs. 3.01 million Previous Year Rs. 0.77 million) | 0.54 | 0.17 |
| Current Account with EN Bank, Tehran (EUR) (Maximum balance during the year Rs. 1.63 Million Previous year Nil) | 0.10 | 0.00 |
| Current Account with Bank of Moscow, Sakhalin (RUR) (Maximum balance during the year Rs. 0.02 Million Previous year Nil) | 0.02 | 0.00 |
| Current Account (USD) with Royal Bank of Scotland, Sakhalin (Maximum balance during the year Rs. 258.02 Million Previous year Rs. 184.74 Million) | 0.19 | 0.00 |
| Current Account (RUR) with Royal Bank of Scotland, Sakhalin (Maximum balance during the year Rs. 15,120.38 Million Previous year Rs. Nil) | 1.22 | 0.00 |
| Current Account (RUR) with Royal Bank of Scotland, Sakhalin (Maximum balance during the year Rs. 0.63 Million Previous year Rs. 0.89 Million) | 0.40 | 0.00 |
| Current Account (USD) with Royal Bank of Scotland, Sakhalin (Maximum balance during the year Rs. 8.75 Million Previous year Rs. 5.91 Million) | 5.94 | 0.00 |
| Current Account (USD) with Royal Bank of Scotland, Sakhalin (Maximum balance during the year Rs. 232.39 Million Previous year Nil) | 145.38 | 0.00 |
| Current Account (USD) with Royal Bank of Scotland, Astana, Kazakhstan | 0.10 | 0.00 |

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|--|--|--|
| (Maximum balance during the year Rs.0.71 Million Previous year Rs. Nil) | | |
| Current Account (RUR) with Royal Bank of Scotland, Russia | 58.64 | 0.00 |
| (Maximum balance during the year Rs. 374.01 Million Previous year Nil) | | |
| Current Account (RUR) with Royal Bank of Scotland, Russia | 2.25 | 0.00 |
| (Maximum balance during the year Rs. 4.64 Million Previous year Nil) | | |
| Current Account (RUR) with Royal Bank of Scotland, Russia | 0.06 | 0.00 |
| (Maximum balance during the year Rs. 127.48 Million Previous year Nil) | | |
| Current Account (RUR) with Royal Bank of Scotland, Russia | 2.97 | 0.00 |
| (Maximum balance during the year Rs. 47.78 Million Previous year Nil) | | |
| Current Account (RUR) with Royal Bank of Scotland, Russia | 0.92 | 0.00 |
| (Maximum balance during the year Rs. 1.87 Million Previous year Nil) | | |
| Current Account (RUR) with Royal Bank of Scotland, Russia | 65.11 | 0.00 |
| (Maximum balance during the year Rs. 65.11 Million Previous year Nil) | | |
| Current Account (USD) with Royal Bank of Scotland, Russia | 438.86 | 0.00 |
| (Maximum balance during the year Rs. 1,344.15 Million Previous year Nil) | | |
| Current Account (USD) with Royal Bank of Scotland, Moscow, Russia | 0.05 | 0.00 |
| (Maximum balance during the year Rs. 0.05 Million Previous year Nil) | | |
| Current Account (RUR) with Royal Bank of Scotland, Moscow, Russia | 27.07 | 0.00 |
| (Maximum balance during the year Rs. 101.47 Million Previous year Nil) | | |
| Current Account (USD) with Royal Bank of Scotland, UK | 20.34 | 0.00 |
| (Maximum balance during the year Rs. 952.63 Million Previous year Nil) | | |
| Current Account (USD) with Royal Bank of Scotland, UK | 0.36 | 0.00 |
| (Maximum balance during the year Rs. 3.84 Million Previous year Nil) | | |
| Current Account (USD) with Royal Bank of Scotland, UK | 0.07 | 0.00 |
| (Maximum balance during the year Rs. 0.08 Million Previous year Nil) | | |
| Current Account (USD) with Royal Bank of Scotland, UK | 0.19 | 0.00 |
| (Maximum balance during the year Rs. 9,908.96 Million Previous year Nil) | | |
| Current Account (GBP) with Royal Bank of Scotland, UK | 63.69 | 0.00 |
| (Maximum balance during the year Rs. 1,048.98 Million Previous year Nil) | | |
| Current Account (GBP) with Royal Bank of Scotland, UK | 0.11 | 0.00 |
| (Maximum balance during the year Rs. 0.15 Million Previous year Nil) | | |
| Current Account (GBP) with Royal Bank of Scotland, UK | 0.07 | 0.00 |
| (Maximum balance during the year Rs. 0.07 Million Previous year Nil) | | |
| Current Account (GBP) with Royal Bank of Scotland, UK | 0.02 | 0.00 |
| (Maximum balance during the year Rs. 0.03 Million Previous year Nil) | | |
| Current Account (GBP) with Royal Bank of Scotland, UK | 0.03 | 0.00 |
| (Maximum balance during the year Rs. 0.03 Million Previous year Nil) | | |
| Current Account (GBP) with Royal Bank of Scotland, UK | 0.03 | 0.00 |
| (Maximum balance during the year Rs. 0.03 Million Previous year Nil) | | |
| Current Account (RUR) with Gazprombank, Russia | 4.73 | 0.00 |
| (Maximum balance during the year Rs. 55.02 Million Previous year Nil) | | |
| Current Account (RUR) with Gazprombank, Russia | 1.45 | 0.00 |
| (Maximum balance during the year Rs. 2.38 Million Previous year Nil) | | |
| Current Account (RUR) with Gazprombank, Russia | 0.24 | 0.00 |
| (Maximum balance during the year Rs. 0.37 Million Previous year Nil) | | |
| Current Account (RUR) with Gazprombank, Russia | 0.03 | 0.00 |
| (Maximum balance during the year Rs. 62.21 Million Previous year Nil) | | |



| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|--|--|--|
| Current Account (RUR) with Gazprombank, Russia (Maximum balance during the year Rs. 14.20 Million Previous year Nil) | 2.37 | 0.00 |
| Current Account (RUR) with Gazprombank, Russia (Maximum balance during the year Rs. 0.12 Million Previous year Nil) | 0.12 | 0.00 |
| Current Account (USD) with Gazprombank, Russia (Maximum balance during the year Rs. 0.16 Million Previous year Nil) | 0.16 | 0.00 |
| Current Account (RUR) with Raiffeisenbank, Russia (Maximum balance during the year Rs. 39.34 Million Previous year Nil) | 7.45 | 0.00 |
| Current Account (USD) with Piraeus Bank, UK (Maximum balance during the year Rs. 0.02 Million Previous year Nil) | 0.01 | 0.00 |
| Current Account (Euro) with Piraeus Bank, UK (Maximum balance during the year Rs. 0.18 Million Previous year Nil) | 0.11 | 0.00 |
| Current Account (USD) with Bank of Cyprus, Cyprus (Maximum balance during the year Rs. 1.94 Million Previous year Nil) | 0.35 | 0.00 |
| Current Account (USD) with Bank of Cyprus, Cyprus (Maximum balance during the year Rs. 2.72 Million Previous year Nil) | 2.72 | 0.00 |
| Current Account (USD) with Bank of Cyprus, Cyprus (Maximum balance during the year Rs. 1.59 Million Previous year Nil) | 0.25 | 0.00 |
| Current Account (USD) with Bank of Cyprus, Cyprus (Maximum balance during the year Rs. 1.45 Million Previous year Nil) | 0.56 | 0.00 |
| Current Account (USD) with Bank of Cyprus, Cyprus (Maximum balance during the year Rs. 0.29 Million Previous year Nil) | 0.06 | 0.00 |
| Current Account (USD) with Bank of Cyprus, Cyprus (Maximum balance during the year Rs. 0.81 Million Previous year Nil) | 0.06 | 0.00 |
| Current Account (USD) with Bank of Cyprus, Cyprus (Maximum balance during the year Rs. 0.37 Million Previous year Nil) | 0.05 | 0.00 |
| Current Account (USD) with Bank of Cyprus, Cyprus (Maximum balance during the year Rs. 0.08 Million Previous year Nil) | 0.06 | 0.00 |
| Current Account (USD) with Bank of Cyprus, Cyprus (Maximum balance during the year Rs. 0.35 Million Previous year Nil) | 0.05 | 0.00 |
| Current Account (USD) with Bank of Cyprus, Cyprus (Maximum balance during the year Rs. 0.11 Million Previous year Nil) | 0.11 | 0.00 |
| Current Account (USD) with Bank of Cyprus, Cyprus (Maximum balance during the year Rs. 0.17 Million Previous year Nil) | 0.05 | 0.00 |
| Current Account (EUR) with Bank of Cyprus, Cyprus (Maximum balance during the year Rs. 0.01 Million Previous year Nil) | 0.01 | 0.00 |
| Current Account (EUR) with Bank of Cyprus, Cyprus (Maximum balance during the year Rs. 0.01 Million Previous year Nil) | 0.01 | 0.00 |
| Current Account (CHF) with UBS, Cyprus (Maximum balance during the year Rs. 4.68 Million Previous year Nil) | 3.14 | 0.00 |
| Bank Balances (In respect of Joint ventures of OVL) | 6,919.09 | 2,257.00 |
| Total | 156,331.20 | 186,524.95 |
| B) Deposit with Bank Under Site Restoration Fund Scheme** | 69,624.35 | 64,033.51 |

Note: Includes Rs. 2,575.24 million share of jointly controlled entities. (Previous year Rs. 1,252.32 million)

*Includes Gold Coins valued Rs. 0.30 million (Previous year Rs. 0.38 million)

**Deposited u/s 33ABA of the Income Tax Act, 1961 and can be withdrawn only for the purposes specified in the Scheme.

Schedule to the consolidated balance sheet

Schedule-12

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|--|--|--|
| OTHER CURRENT ASSETS | | |
| (Unsecured, Considered Good unless otherwise stated) | | |
| Interest Accrued On | | |
| - Investments | 37.98 | 42.20 |
| - Deposits with Banks/PSUs/Financial Institutions | 8,224.95 | 7,701.39 |
| - Others | | |
| - Considered Good | 3,007.40 | 2,884.73 |
| - Considered Doubtful | 1.32 | 1.34 |
| | 3,008.72 | 2,886.07 |
| Less : Provision | 1.32 | 1.34 |
| | 3,007.40 | 2,884.73 |
| Other Accounts pending adjustments | | |
| - Considered Good | 38.77 | 23.51 |
| - Considered Doubtful | 872.49 | 968.31 |
| | 911.26 | 991.82 |
| Less : Provision for Doubtful Accounts | 872.49 | 968.31 |
| | 38.77 | 23.51 |
| TOTAL | 11,309.10 | 10,651.83 |

Note: Includes Rs. 28.36 million share of jointly controlled entities. (Previous year Rs. 12.65 million)

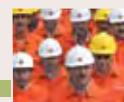
Schedule-13

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|--|--|--|
| LOANS AND ADVANCES | | |
| Loans to Public Sector Undertakings & Other Body Corporate | 1,345.11 | 1,922.34 |
| Advance against equity pending allotment | 4,183.58 | 2,203.46 |
| Loans and Advances to Employees | 12,172.18 | 9,653.25 |
| Advances Recoverable in Cash or in Kind or for Value to be received | 39,072.51 | 20,972.67 |
| Recoverable from Petroleum Planning & Analysis cell (PPAC) | 6.36 | 6.36 |
| Carry finance | 7,466.51 | 5,833.47 |
| OMEL-Loan for Nigeria Project | 0.00 | 13.96 |
| Insurance Claims | 400.01 | 349.29 |
| Investment in Lease | 12,956.82 | 5,368.05 |
| Deposits: | | |
| a) With Customs/Port Trusts etc. | 42.81 | 650.16 |
| b) With Financial Institutions/PSUs | 20,000.00 | 0.00 |
| c) Others | 11,102.74 | 5,016.71 |
| | 108,748.63 | 51,989.72 |
| Less : Provision for Doubtful Claims/advances | 11,208.17 | 7,321.43 |
| | 97,540.46 | 44,668.29 |
| Income Tax : | | |
| Advance payment of Income Tax | 296,506.82 | 190,701.44 |
| (Including advance payment of Wealth Tax Rs. 37.96 million Previous year Rs. 27.34 million) | | |
| Less : Provision | 261,403.03 | 164,689.27 |
| (Including provision for Wealth Tax Rs. 116.79 million Previous year Rs. 91.04 million) | | |
| TOTAL | 132,644.25 | 70,680.46 |
| Particulars of loans and advances: | | |
| Secured | 5,957.38 | 6,500.85 |
| Unsecured - Considered Good | 126,686.87 | 64,179.61 |
| - Considered Doubtful | 11,208.17 | 7,321.43 |
| | 143,852.42 | 78,001.89 |
| Less : Considered Doubtful and provided for | 11,208.17 | 7,321.43 |
| TOTAL | 132,644.25 | 70,680.46 |

Note: 1. Includes Rs. 402.84 million share of jointly controlled entities. (Previous year Rs. 2,419.95 million)

2. Loans to employees include an amount of Rs. 4.13 million (Previous year Rs. 1.90 million) outstanding from whole time Directors.
Maximum amount outstanding during the year Rs. 4.71 million (Previous year Rs. 2.78 million)



Schedule to the consolidated balance sheet

Schedule-14

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|--|--|--|
| CURRENT LIABILITIES | | |
| Sundry Creditors for Supplies / Works : | | |
| - Micro, Small & Medium Enterprises | 63.43 | 13.85 |
| - Other than Micro, Small & Medium Enterprises | 100,076.89 | 90,822.03 |
| Liability for Royalty/Cess/Sales tax etc. | 10,882.62 | 13,698.71 |
| Unpaid Matured debentures* | 42.42 | 82.25 |
| Unclaimed Interest on debentures* | 7.77 | 18.63 |
| Unclaimed Dividend* | 156.20 | 100.88 |
| Deposits from Suppliers/Contractors | 6,416.26 | 131.68 |
| Deferred Credit on Gas Sales | 5.99 | 14,016.45 |
| Other Liabilities | 64,745.07 | 5.42 |
| Liability on Foreign Currency Forward Contracts | 196.27 | 40,796.21 |
| Interest Accrued but not due on loans | 7.36 | 6.89 |
| Sundry Creditors for Supplies / Works: (in respect of Joint Ventures) | 17,631.76 | 13.26 |
| | | 7,608.15 |
| TOTAL | 200,232.04 | 167,213.53 |

Note: Includes Rs. 2,151.74 million share of jointly controlled entities (Previous year Rs. 1,642.05 million)

*No amount is due for Payment to Investor Education and Protection Fund

Schedule-15

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|--|--|--|
| PROVISIONS | | |
| Gratuity | 10,294.92 | 9,383.41 |
| Leave | 13,667.15 | 11,111.94 |
| Post Retirement Medical & Terminal Benefit | 13,323.32 | 11,237.86 |
| Others (Refer Note no.16 of Sch-27) | 9,453.55 | 764.71 |
| Proposed Dividend | 29,944.22 | 29,944.22 |
| Tax on Proposed Dividend | 5,474.39 | 5,470.41 |
| TOTAL | 82,157.55 | 67,912.55 |

Note: Includes Rs. 223.49 million share of jointly controlled entities (Previous year Rs. 217.64 million)

Schedule-16

(Rupees in million)

| | As at 31 st March, 2009 | As at 31 st March, 2008 |
|---|--|--|
| MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted) | | |
| Deferred Revenue Expenditure | | |
| Dry Docking Charges | 4,529.70 | 5,901.42 |
| Other Expenditure | 1,976.52 | 837.80 |
| TOTAL | 6,506.22 | 6,739.22 |

Note: Includes Rs. 0.12 million share of jointly controlled entities (Previous year Rs. 0.20 million)

Schedule to the consolidated profit & loss account

Schedule-17

(Rupees in million)

| | For the Year 2008-09 | For the Year 2007-08 |
|---|----------------------------|----------------------------|
| SALES | | |
| Sales | 1,114,954.48 | 1,034,330.93 |
| Less : | | |
| Transfer to Exploratory Wells in Progress | 67.07 | 16.30 |
| Government of India's (GOI's) share in Profit Petroleum | <u>20,757.99</u> | <u>15,965.51</u> |
| | 20,825.06 | 15,981.81 |
| TOTAL | <u>1,094,129.42</u> | <u>1,018,349.12</u> |

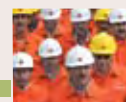
Note: Includes Rs. 10,707.52 million share of jointly controlled entities (Previous year Rs. 8,353.76 million)

Schedule-18

(Rupees in million)

| | For the Year 2008-09 | For the Year 2007-08 |
|--|-------------------------|-------------------------|
| OTHER INCOME | | |
| Contractual Short Lifted Gas Receipts | 189.67 | 49.98 |
| Pipeline Transportation Receipts | 5,267.38 | 4,643.95 |
| Reimbursement from Govt. of India | 0.00 | 885.22 |
| Other Contractual Receipts | 1,415.72 | 1,773.01 |
| Lease Income | 376.97 | 352.36 |
| Income from Trade Investments : | | |
| Dividend on Long term Investments | 1,500.67 | 1,652.22 |
| Interest on Long Term Investments | 1,391.64 | 1,231.44 |
| Profit on sale of Investment | <u>3.89</u> | <u>10.85</u> |
| | 2,896.20 | 2,894.51 |
| Income from Non Trade Investments : | | |
| Interest on Long Term Investments | 0.06 | 173.12 |
| Dividend on Current Investments | 258.88 | 57.25 |
| Interest Income on : | | |
| Deposits with Banks/Financial Institutions | 23,750.41 | 17,923.20 |
| (Tax deducted at source Rs. 5,142.63 million Previous year Rs. 4,123.11 million) | | |
| Loans and Advances to Employees | 317.59 | 314.70 |
| Income Tax Refund | 791.08 | 787.67 |
| Site Restoration Fund Deposit | 5,503.72 | 4,930.65 |
| Delayed Payment from Customers and Others | <u>1,818.55</u> | <u>1,429.22</u> |
| (Tax deducted at source Rs.26.21 million Previous year Rs. 136.22 million) | | |
| | 32,181.35 | 25,385.44 |
| Excess Provisions written back | 1,112.38 | 1,037.66 |
| Liabilities no longer required written back | 1,456.76 | 1,247.54 |
| Miscellaneous Receipts | 5,566.10 | 6,910.87 |
| TOTAL | <u>50,721.47</u> | <u>45,410.91</u> |

Note: Includes Rs. 185.62 million share of jointly controlled entities (Previous year Rs. 108.69 million)



Schedule to the consolidated profit & loss account Schedule-19

(Rupees in million)

| | For the Year 2008-09 | For the Year 2007-08 |
|---|-------------------------|-------------------------|
| INCREASE/(DECREASE) IN STOCKS | | |
| Closing Stock | | |
| Stock in Process | 692.84 | 1,473.30 |
| Finished Products | <u>14,668.09</u> | <u>17,302.38</u> |
| | 15,360.93 | 18,775.68 |
| Opening Stock | | |
| Stock in Process | 1,473.30 | 1,480.12 |
| Finished Products | <u>17,302.38</u> | <u>16,242.26</u> |
| Less : Adjustment | <u>(29.29)</u> | <u>47.57</u> |
| | 18,804.97 | 17,674.81 |
| NET INCREASE/(DECREASE) IN STOCK | <u>(3,444.04)</u> | <u>1,100.87</u> |

Schedule-20

(Rupees in million)

| | For the Year 2008-09 | For the Year 2007-08 |
|---|-------------------------|-------------------------|
| PRODUCTION, TRANSPORTATION, SELLING AND DISTRIBUTION EXPENDITURE | | |
| Royalty | 111,546.34 | 121,041.77 |
| Cess | 55,788.35 | 58,214.57 |
| Sales Tax | 7,839.33 | 2,946.54 |
| Natural Calamity Contingent Duty | 1,081.40 | 1,126.62 |
| Excise Duty on Stocks (Net) | (462.93) | 96.11 |
| Service Tax | 2,474.44 | 199.65 |
| Education Cess | 1,795.54 | 1,861.09 |
| Octroi and Port Trust Charges | 4,129.85 | 4,194.78 |
| Staff Expenditure | 11,619.33 | 13,282.62 |
| Workover Operations | 26,226.11 | 16,448.48 |
| Water Injection, Desalting and Demulsification | 8,608.44 | 7,085.74 |
| Consumption of Raw material, Stores and Spares & etc. | 286,301.97 | 251,802.53 |
| Pollution Control | 3,748.73 | 2,900.02 |
| Transport Expenses | 3,070.62 | 3,259.06 |
| Insurance | 965.67 | 1,046.12 |
| Power and Fuel | 1,610.32 | 1,986.97 |
| Repairs and Maintenance | 6,366.73 | 10,083.81 |
| Contractual payments including Hire charges etc. | 6,375.09 | 5,772.27 |
| Other Production Expenditure | 17,171.73 | 12,416.90 |
| Transportation and Freight of Products | 10,724.94 | 10,342.41 |
| Research and Development | 1,574.44 | 1,753.32 |
| General Administrative Expenses | 17,033.62 | 21,603.43 |
| Exchange Variation (Net) | 11,715.95 | 1,017.46 |
| Other Expenditure | 12,884.76 | 5,888.57 |
| TOTAL | <u>610,190.77</u> | <u>556,370.84</u> |

Note: Includes Rs. 9,433.41 million share of jointly controlled entities (Previous year Rs. 7,224.13 million)

1. The above expenses classified in accordance with Part II of Schedule VI to the Companies Act, 1956 and exhibited in Note no. 31 (i) of Schedule 27.

Schedule to the consolidated profit & loss account

Schedule-21

(Rupees in million)

| | | For the Year 2008-09 | | For the Year 2007-08 |
|---|-----------|-------------------------|-------------------|-------------------------|
| DEPRECIATION, DEPLETION, AMORTISATION AND IMPAIRMENT | | | | |
| Survey | | 38,947.96 | | 31,051.39 |
| Pre Acquisition Expenditure | | 726.53 | | 1,324.62 |
| Wells Written off | | 37,308.94 | | 28,168.62 |
| Amortisation of Goodwill | | 2,876.56 | | 2,306.71 |
| Depletion | | 55,883.07 | | 48,552.91 |
| Depreciation * | | 57,058.26 | 58,595.79 | |
| Less : Allocated to : | | | | |
| Survey | 1,554.72 | | 1,028.66 | |
| Exploratory Drilling | 9,267.36 | | 7,662.47 | |
| Development Drilling | 5,173.61 | | 4,776.24 | |
| Depreciation on Facilities | 19,251.65 | | 17,147.91 | |
| Others | 139.82 | | 70.20 | |
| | | <u>35,387.16</u> | <u>21,671.10</u> | <u>30,685.48</u> |
| | | | | 27,910.31 |
| Impairment loss | | | | |
| During the year | | 1,240.59 | 84.90 | |
| Less : Reversal during the year | | <u>4,350.91</u> | <u>(3,110.32)</u> | <u>521.78</u> |
| | | | | (436.88) |
| TOTAL | | <u>154,303.84</u> | | <u>138,877.68</u> |

Note: Includes Rs. 895.96 million share of jointly controlled entities (Previous year Rs. 258.39 million)

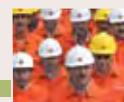
*refer note 2.1 of Schedule-27

Schedule-22

(Rupees in million)

| | | For the Year 2008-09 | | For the Year 2007-08 |
|---|--|-------------------------|--|-------------------------|
| FINANCING COSTS | | | | |
| (i) Interest: | | | | |
| On Fixed Loans | | | | |
| - From Oil Industry Development Board | | 0.00 | | 4.53 |
| - Foreign Currency Loans | | 9.97 | | 12.24 |
| On Term Loans from Banks | | 206.46 | | 263.88 |
| On Cash Credit | | 57.13 | | 139.32 |
| On Others | | 1,255.04 | | 715.28 |
| (ii) Discount on Commercial Papers | | 856.47 | | 0.00 |
| TOTAL | | <u>2,385.07</u> | | <u>1,135.25</u> |

Note: Includes Rs. 310.01 million share of jointly controlled entities (Previous year Rs. 130.00 million)



Schedule to the consolidated profit & loss account Schedule-23

(Rupees in million)

| | For the Year 2008-09 | For the Year 2007-08 |
|---|-------------------------|-------------------------|
| PROVISIONS AND WRITE-OFFS | | |
| PROVISIONS | | |
| Provision for Doubtful Debts | 2,390.92 | 5,250.34 |
| Provision for Doubtful Claims/Advances | 2,172.86 | 185.53 |
| Provision against Non-Moving Inventories | 91.73 | 674.45 |
| Provision for Others | 8,778.72 | 594.34 |
| Sub-Total | 13,434.23 | 6,704.66 |
| WRITE-OFFS | | |
| Loss on Disposal/Condemnation of Fixed Assets (Net) | 92.05 | 48.80 |
| Claims/Advances Written Off | 8.58 | 87.46 |
| Less: Provisions | 4.70 | 73.86 |
| | 3.88 | 13.60 |
| Inventories Written Off | 225.17 | 135.31 |
| Bad debts Written Off | 0.00 | 592.19 |
| Other Write offs | 1,594.62 | 313.94 |
| Sub-Total | 1,915.72 | 1,103.84 |
| TOTAL | 15,349.95 | 7,808.50 |

Note: Includes Rs. 172.93 million share of jointly controlled entities (Previous year Rs. 0.07 million)

Schedule-24

(Rupees in million)

| | For the Year 2008-09 | For the Year 2007-08 |
|---|-------------------------|-------------------------|
| ADJUSTMENTS RELATING TO PRIOR PERIOD (NET) | | |
| Statutory levies* | 0.23 | 15.51 |
| Other Production Expenditure* | (1,956.65) | 389.23 |
| Interest -Others | 0.46 | 0.16 |
| Depletion | 0.00 | 705.61 |
| Depreciation | 150.62 | 81.79 |
| Survey | (620.58) | (335.86) |
| Dry well | 1,870.87 | 203.97 |
| Provision for Post retirement employee benefits | 0.00 | 1.96 |
| Total Debit | (555.05) | 1,062.37 |
| Sales | (189.51) | 2.41 |
| Other Income | (259.79) | 129.87 |
| Total Credit | (449.30) | 132.28 |
| Net Debit/(Credit) | (105.75) | 930.09 |

Note: Includes Rs. (-) 2.70 million share of jointly controlled entities (Previous year Nil)

*The above expenses classified in accordance with Part II of Schedule VI to the Companies Act, 1956 and exhibited in note no 31(i) of Schedule 27

Schedule to the consolidated profit & loss account Schedule-25

(Rupees in million)

| | For the Year 2008-09 | For the Year 2007-08 |
|---|-------------------------|-------------------------|
| EARNING PER SHARE | | |
| A) Net Profit after Tax | 197,953.44 | 198,722.61 |
| Less: | | |
| B) Extraordinary items | 657.73 | 0.00 |
| C) Tax impact on Extraordinary items | (223.56) | 0.00 |
| D) Net Profit before Extraordinary items (net of tax) | <u>197,519.27</u> | <u>198,722.61</u> |
| E) Number of Shares | 2,138,872,530 | 2,138,872,530 |

(Amount in Rupees)

Basic & Diluted earnings per equity share

| | | |
|--|-------|-------|
| - Before extraordinary items (net of tax)- (D/E) | 92.35 | 92.91 |
| - After extraordinary items- (A/E) | 92.55 | 92.91 |





Schedule-26 | Significant Accounting Policies

A. Principles of Consolidation

The Consolidated financial statements relate to the Company (Oil and Natural Gas Corporation Limited), its Subsidiaries, Joint Venture entities and Associates. The consolidated Financial Statements have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21 – “Consolidated Financial Statements”.
- ii) The financial statements of Joint Venture entities have been combined by applying proportionate consolidation method on a line by line basis on like items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS-27) - “Financial Reporting of Interests in Joint Ventures”.
- iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Financial Statements except as otherwise stated in the Notes to the Accounts.
- iv) The difference between the cost of investment in the Subsidiaries/Associates/ Joint Ventures, over the net assets at the time of acquisition of shares in the Subsidiaries/Associates is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve as the case may be.
- v) Minority Interest's share of Net Profit/Loss of Consolidated Subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the Net Income attributable to the shareholders of the Company.
- vi) Minority Interest's share of Net Assets of Consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separately from liabilities and the equity of the Company's shareholders.
- vii) In case of foreign subsidiaries and Joint Ventures, foreign currency transactions are translated as per the provisions of Accounting Standard (AS)-11 – “Accounting for Effects of changes in Foreign Exchange Rates” in the Consolidated Financial Statements.
- viii) In case of Associates, where the company directly or indirectly through Subsidiaries holds more than 20% of equity, investments in Associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 – “Accounting for Investments in Associates in Consolidated Financial Statements”.
- ix) The difference between the proceeds from disposal of investments in a subsidiary and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss Account as the profit or loss (as applicable) on disposal of the investment in the subsidiary.

B. Investments other than in Subsidiaries, Associates and Joint Ventures have been accounted for as per Accounting Standard (AS) –13 “Accounting for Investments”.

C. Other Significant Accounting Policies:

1. Accounting Conventions

The financial statements are prepared under the historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP), applying the Successful Efforts Method as per the Guidance Note on Accounting for Oil and Gas Producing Activities issued by the Institute of Chartered Accountants of India and Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006 and provisions of the Companies Act, 1956.

2. Use of Estimates

The preparation of financial statements requires estimates and assumptions which affect the reported amount of assets, liabilities, revenues and expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

3. Government Grants

Government grants for acquisition of fixed assets are initially treated as Capital Reserve and are subsequently recognized as income in the Profit & Loss Statement on a systematic basis over the useful life of the assets in the proportion in which depreciation on those assets is charged.

4. Fixed Assets

- 4.1 Fixed assets are stated at historical cost less accumulated depreciation and impairment. Fixed assets received as donations/gifts are capitalized at assessed values with corresponding credit taken to Capital Reserve.
- 4.2 All costs relating to acquisition of fixed assets till the time of commissioning of such assets are capitalized.

5. Intangible Assets

- 5.1 Costs incurred on intangible assets, resulting in future economic benefits are capitalized as intangible assets and amortized on written down value method beginning from the date of capitalization.
- 5.2 Cost of Right of way for laying pipeline is capitalized as intangible asset and being perpetual in nature is not amortized.

6. Exploration, Development and Production Costs

6.1 Acquisition Cost

Acquisition cost of an oil and gas property in exploration/development stage is taken to acquisition cost under the respective category. In case of overseas projects, the same is taken to capital work in Progress. Such costs are capitalized by transferring to Producing Property when it is ready to commence commercial production. In case of abandonment, such costs are expensed. Acquisition cost of a producing oil and gas property is capitalized as Producing Property.

6.2 Survey Cost

Cost of Survey and prospecting activities conducted in the search of oil and gas are expensed in the year in which these are incurred.

6.3 Exploratory/ Development Wells in Progress

- 6.3.1 All acquisition costs, exploration costs involved in drilling and equipping exploratory and appraisal wells, cost of drilling exploratory type stratigraphic test wells are initially capitalized as Exploratory Wells in Progress till the time these are either transferred to Producing Properties on completion as per policy No. 6.4.1 or expensed in the year when determined to be dry or of no further use, as the case may be.
- 6.3.2 All wells under "exploratory wells in progress" which are more than two years old from the date of completion of drilling are charged to Profit and Loss Account except those wells where it could be reasonably demonstrated that the well has proved reserves and the development of the field in which the wells are located has been planned.
- 6.3.3 All costs relating to development wells are initially capitalized as development wells in progress and transferred to producing properties on completion as per policy no. 6.4.1

6.4 Producing Properties

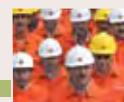
- 6.4.1 Producing properties are created in respect of an area/field having proved developed oil and gas reserves, when the well in the area/field is ready to commence commercial production.
- 6.4.2 Cost of temporary occupation of land, successful exploratory wells, all development wells, depreciation on related equipment, facilities, and estimated future abandonment costs are capitalised and reflected as Producing Properties.

6.4.3 Depletion of Producing Properties

Producing properties are depleted using the "Unit of Production Method". The rate of depletion is computed with reference to an area covered by individual lease/licence/ asset/amortization base by considering the proved developed reserves and related capital costs incurred including estimated future abandonment costs. In case of acquisition, cost of producing properties is depleted by considering the Proved Reserves. These reserves are estimated annually by the Reserve Estimates Committee of the Company, which follows the International Reservoir Engineering Procedures.

6.5 Production Costs

Production costs include pre-well head and post well head expenses including depreciation and applicable operating costs of support equipment and facilities.



6.6 Side tracking

- 6.6.1 The cost of abandoned portion of side tracked exploratory wells is charged to Profit & Loss Account as dry wells.
- 6.6.2 The cost of abandoned portion of side tracked development wells is considered as part of cost of development wells.
- 6.6.3 The cost of sidetracking in respect of existing producing wells is capitalized if it increases the Proved Developed Reserves otherwise, charged to Profit & Loss Account as workover expenditure.

7. Impairment

Producing Properties, Development Wells in Progress (DWIP) and Fixed Assets (incl. Capital Works in Progress) of a "Cash Generating Unit" (CGU) are reviewed for impairment at each Balance Sheet date. In case, events and circumstances indicate any impairment, recoverable amount of these assets is determined. An impairment loss is recognized, whenever the carrying amount of such assets exceeds the recoverable amount. The recoverable amount is its 'value in use' or 'net selling price' (if determinable) whichever is higher. In assessing value in use, the estimated future cash flows from the use of assets and from its disposal at the end of its useful life are discounted to their present value at appropriate rate.

An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss / reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU, is allocated to its assets on a pro-rata basis. Subsequent to Impairment, depreciation is provided on the revised carrying value of the assets over the remaining useful life.

8. Abandonment Cost

- 8.1 The full eventual estimated liability towards costs relating to dismantling, abandoning and restoring offshore well sites and allied facilities is recognized at the initial stage as cost of producing property and liability for abandonment cost is updated, based on the technical assessment available at current costs with the Company.
- 8.2 Cost relating to dismantling, abandoning and restoring onshore well sites and allied facilities are accounted for in the year in which such costs are incurred as the salvage value is expected to take care of the abandonment costs.

9. Joint Ventures

The Company has Joint Ventures in the nature of Production Sharing Contracts (PSC) with the Government of India, Govt. of foreign countries and various bodies corporate for exploration, development and production activities.

- 9.1 The income, expenditure, assets and liabilities of the Jointly Controlled Assets are merged on line by line basis according to the participating interest with the similar items in the Financial Statements of the Company and adjusted for depreciation, depletion, survey, dry wells, abandonment, impairment and sidetracking in accordance with the accounting policies of the Company.
- 9.2 Past cost compensation and consideration for the right to commence operations received from other Joint Venture Partners are reduced from capitalised costs. The uncompensated cost continues in the Company's books as producing property/exploratory wells in progress.
- 9.3 The hydrocarbon reserves in such areas are taken in proportion to the participating interest of the Company.

10. Investments

- 10.1 Long-term investments are valued at cost. Provision is made for any diminution, other than temporary, in the value of such investments.
- 10.2 Current Investments are valued at lower of cost and fair value.

11. Inventories

- 11.1 Finished goods (other than Sulphur) and stock in pipelines/tanks are valued at Cost or net realisable value whichever is lower. Cost of finished goods is determined on absorption costing method. Sulphur is valued at net realisable value. The value of inventories includes excise duty and royalty wherever applicable but excludes cess.
- 11.2 Crude Oil in unfinished condition in flow lines upto Group Gathering Stations/platform and Natural Gas in Pipelines are not valued. Stock-in-Process is valued at cost or net realizable value whichever is lower. Cost is determined at Raw material and Proportionate Conversion cost.
- 11.3 Raw material is valued at lower of cost or net realisable value. Cost is determined on First in First Out (FIFO) basis.

11.4 Inventory of stores and spare parts is valued at Weighted Average Cost or net realisable value whichever is lower. Provisions are made for obsolete and non moving inventories.

11.5 Unserviceable items, when determined, are valued at estimated net realizable value.

12. Revenue Recognition

12.1 Revenue from sale of products is recognized on transfer of custody to customers. Any difference as of the reporting date between the entitlement quantity minus the quantities sold in respect of crude oil (including condensate), if positive is treated as inventory and, if negative, is adjusted to revenue by recording the same as liability.

12.2 Sale of crude oil and gas produced from exploratory wells in progress is deducted from expenditure on such wells.

12.3 Sales are inclusive of all statutory levies except Value Added Tax (VAT). Any retrospective revision in prices is accounted for in the year of such revision.

12.4 Revenue in respect of fixed price contracts is recognized for the quantum of work done on the basis of percentage of completion method. The quantum of work done is measured in proportion of cost incurred to date to the estimated total cost of the contract or based on reports of physical work done.

12.5 Finance income in respect of assets given on finance lease is recognized based on a pattern reflecting a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

12.6 Revenue in respect of the following is recognized when there is reasonable certainty regarding ultimate collection:

- a. Short lifted quantity of gas.
- b. Gas pipeline transportation charges and statutory duties thereon.
- c. Reimbursable subsidies and grants.
- d. Interest on delayed realization from customers.
- e. Liquidated damages from contractors/suppliers.

13. Depreciation and Amortisation

13.1 Depreciation on fixed assets is provided for under the written down value method in accordance with the rates specified in Schedule XIV to the Companies Act, 1956.

13.2 Depreciation on additions/deletions during the year is provided for on prorata basis with reference to the date of additions/deletions except items of Plant and Machinery used in wells with 100% rate of depreciation and low value items not exceeding Rs. 5000/- which are fully depreciated at the time of addition.

13.3 Depreciation on subsequent expenditure on fixed assets arising on account of capital improvement or other factor is provided for prospectively.

Depreciation on refurbished/revamped assets which are capitalized separately is provided for over the reassessed useful life at rates which are not less than the rates specified in Schedule XIV to the Companies Act, 1956.

13.4 Depreciation on fixed assets (including support equipment and facilities and taken on finance lease) used for exploration, drilling activities and on related equipment and facilities is initially capitalised as part of exploration cost, development cost or producing properties and expensed/depleted as stated in policy 6 above.

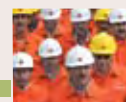
13.5 Leasehold land is amortised over the lease period except perpetual leases

13.6 Software is amortized @ 40% on written down value method.

14. Foreign Exchange Transactions

14.1 Foreign currency transactions on initial recognition in the reporting currency are accounted for at the exchange rates prevailing on the date of transaction.

14.2 At each Balance Sheet date, foreign currency monetary items are translated using the mean exchange rates prevailing on the balance sheet date and non-monetary items are translated using the exchange rate prevailing on the date of transaction or on the date when the fair value of such item was determined.



- 14.3 The loss or gain thereon and also the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense and adjusted to the profit and loss account except where such liabilities and /or transactions relate to fixed assets/ projects and these were incurred/ entered into before 1.4.2004; in which case, these are adjusted to the cost of respective fixed assets.
- 14.4 In respect of the Company's integral foreign operations:
- 14.4.1 The foreign currency transactions on initial recognition in the reporting currency are recorded following the policy stated in 14.1. For practical reasons, the average exchange rate of the relevant month is taken for the transactions of the month in respect of joint venture operations, where actual date of transaction is not available.
- 14.4.2 At each Balance Sheet date, monetary and non-monetary items are translated following the policy stated in 14.2.
- 14.4.3 All exchange differences are treated following the policy stated in 14.3.
- 14.5 The financial statements of the non-integral foreign operations of the company are incorporated in the financial statements using the following principles:
- 14.5.1 The assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the average of the exchange rate prevailing on the date of the balance sheet;
- 14.5.2 Income and expense items of the non-integral foreign operation are translated at the average exchange rates for the period to which the financial statements relate;
- 14.5.3 The resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment in the non-integral foreign operation.
- 14.5.4 Exchange differences arising on the company's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve until the disposal of such investment, at which time they are recognized as income or as expenses.
- 14.6 In the case of forward exchange contracts, the premium or discount arising at the inception of such contracts, is amortised as income or expense over the life of the contract as well as exchange difference on such contracts, i.e. difference between the exchange rate at the reporting / settlement date and the exchange rate on the date of inception / the last reporting date, is recognized as income / expense for the period.

Forward exchange contracts other than those covered under –Accounting Standard-11 on The effect of Changes in Foreign Exchange Rates, are marked to market basis at the reporting date and the losses are charged to Profit & Loss A/c. Unrealized gains are ignored.

15. Employee Benefits

- 15.1 All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.
- 15.2 Employee Benefits under defined contribution plan comprising provident fund, Composite Social Security Scheme and Superannuation funds are recognized based on the undiscounted obligations of the company to contribute to the plan. The same is paid to a fund administered through a separate trust.
- 15.3 Employee benefits under defined benefit plans comprising of gratuity, leave encashment, compensated absences, post retirement medical benefits and other terminal benefits are recognized based on the present value of defined benefit obligation, which is computed on the basis of actuarial valuation using the projected unit credit method. Actuarial Liability in excess of respective plan assets is recognized during the year.
- 15.4 Provision for gratuity as per actuarial valuation is funded with a separate trust.

16. Voluntary Retirement Scheme

Expenditure on Voluntary Retirement Scheme (VRS) is charged to Profit and Loss Account.

17. General Administrative Expenses

General Administrative Expenses which are identifiable to Assets, Basins & Services are allocated to activities and the balance are charged to Profit and Loss Account. Such expenses at Headquarters are charged to Profit and Loss Account.

18. Insurance claims

The company accounts for insurance claims as under :

- 18.1 In case of total loss of asset by transferring, either the Carrying cost of the relevant asset or Insurance Value (subject to deductibles), whichever is lower under the head "Claims Recoverable-Insurance" on intimation to Insurer. In case insurance claim is less than carrying cost, the difference is charged to Profit and Loss Account.
- 18.2 In case of partial or other losses, expenditure incurred/payments made to put such assets back into use, to meet third party or other liabilities (Less policy deductibles) if any, are accounted for as "Claims Recoverable-Insurance". Insurance Policy deductibles are expensed in the year the corresponding expenditure is incurred.
- 18.3 As and when claims are finally received from Insurer, the difference, if any, between Claims Recoverable-Insurance and Claims received is adjusted to Profit and Loss Account.

19. Research Expenditure

Revenue expenses on Research are charged to Profit and Loss Account, when incurred.

20. Taxes on Income

Provision for current tax is made as per the provisions of the Income Tax Act, 1961/other applicable tax laws. Deferred Tax Liability / Asset resulting from 'timing differences' between book and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

21. Borrowing Costs

Borrowing Cost specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Profit and Loss Account.

22. Rig Days Costs

Rig movement costs are booked to the next location planned for drilling. Abnormal rig days' costs are considered as unallocable and charged to Profit and Loss Account.

23. Deferred Revenue Expenditure

- 23.1 Dry docking charges of Rigs/ Multipurpose Supply Vessels (MSVs), Geo Technical Vessels (GTVs), Well Stimulation Vessels, Offshore Supply Vessels (OSVs), Rig/equipment mobilization expenses and other related expenditure are considered as deferred expenditure and amortized over the period of use not exceeding five years.
- 23.2 Transportation Costs in respect of the quantity of gas short transported, for which the right exists to transport such gas in subsequent periods at no charge, is treated as Deferred Expenditure in the year of payment. The same is treated as cost in the year in which the gas is actually transported for the quantity transported or in the year in which the right to transport such gas ceases, whichever is earlier.

24. Claims

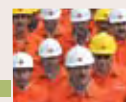
Claims/Surrenders on/to Petroleum Planning and Analysis Cell, Government of India are booked on 'in principle acceptance' thereof on the basis of available instructions/clarifications subject to final adjustments, as stipulated. All other claims and provisions are booked on the merits of each case.

25. Lease

- 25.1 Assets given on finance lease are accounted for as per Accounting Standard (AS) 19 "Leases". Such assets are included as a receivable at an amount equal to the net investment in the lease.
- 25.2 Initial direct costs incurred in respect of finance leases are recognised in the statement of profit and loss in the year in which such costs are incurred.
- 25.3 Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis.

26. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent liabilities, if material, are disclosed by way of notes to accounts.



Schedule -27 | Notes to Accounts

- The Consolidated Financial Statements represent consolidation of accounts of the Company (Oil and Natural Gas Corporation Limited), its subsidiaries and joint venture entities as detailed below:

| SI No. | Name of the Subsidiaries/ Joint Venture Companies | Country of Incorporation | Proportion of Ownership Interest | | Status of Audit as on 31 st March, 2009 |
|-------------|---|--------------------------|---|------------------------------|--|
| | | | 31 st March, 2009 | 31 st March, 2008 | |
| 1 | ONGC Videsh Limited (OVL) | India | 100% | 100% | Audited |
| 1.1 | ONGC Nile Ganga BV (ONGBV) | Netherlands | Class A and Class B 100% Class C 55% by OVL and 45% by OMEL | 100% | Audited |
| 1.1 (i) | ONGC Do Brasil Exploracao Petrolifera Ltda. | Brazil | 100% | 100% | Audited |
| 1.1 (ii) | ONGC Campos Ltda. | Brazil | 100% | 100% | Audited |
| 1.1 (iii) | ONGC Nile Ganga (Cyprus) Ltd. | Cyprus | 100% | 100% | Audited |
| 1.1 (iv) | ONGC Nile Ganga (San Cristobal) B.V. | Netherlands | 100% | NA | Audited |
| 1.2 | ONGC Narmada Limited (ONL) | Nigeria | 100% | 100% | Audited |
| 1.3 | ONGC Amazon Alaknanda Limited (OAAL) | Bermuda | 100% | 100% | Audited |
| 1.4 | ONGC Mittal Energy Limited (OMEL)-JV | Cyprus | 49.98% | 49.98% | Audited |
| 1.5 | Jarpeno Limited | Cyprus | 100% | NA | Audited |
| 1.5 (i) | Imperial Energy Corporation Plc | UK | 100% | NA | Audited |
| 1.5 (ii) | Imperial Energy Limited | UK | 100% | NA | Audited |
| 1.5 (iii) | Rus Imperial Corporation plc | UK | 100% | NA | Audited |
| 1.5 (iv) | Imperial Energy Tomsk Limited | Cyprus | 85% | NA | Audited |
| 1.5 (v) | Imperial Energy (Cyprus) Limited | Cyprus | 100% | NA | Audited |
| 1.5 (vi) | Imperial Energy Nord Limited | Cyprus | 100% | NA | Audited |
| 1.5 (vii) | Imperial Energy Gas Limited | Cyprus | 100% | NA | Audited |
| 1.5 (viii) | Nefsilius Holdings Limited | Cyprus | 100% | NA | Audited |
| 1.5 (ix) | RK Imperial Energy Kostanai Limited | Cyprus | 100% | NA | Audited |
| 1.5 (x) | Imperial Frac Services (Cyprus) Limited | Cyprus | 100% | NA | Audited |
| 1.5 (xi) | Freshspring Investments Limited | Cyprus | 100% | NA | Audited |
| 1.5 (xii) | Redcliffe Holdings Limited, Cyprus | Cyprus | 100% | NA | Audited |
| 1.5 (xiii) | San Agio Investments Limited | Cyprus | 100% | NA | Audited |
| 1.5 (xiv) | Imperial Energy Trading AG | CHF | 100% | NA | Audited |
| 1.5 (xv) | Imperial Energy Finance (Jersey) Limited | Jersey | 100% | NA | Audited |
| 1.5 (xvi) | Biancus Holdings Limited | Cyprus | 100% | NA | Audited |
| 1.5 (xvii) | Rus Imperial Limited | UK | 100% | NA | Audited |
| 1.5 (xviii) | Imperial Energy Kostanai Limited | UK | 100% | NA | Audited |
| 1.5 (xix) | OOO Sibinterneft | Russian Federation | 47.5% | NA | Audited |
| 1.5 (xx) | OOO Alliancenneftegaz | Russian Federation | 100% | NA | Audited |
| 1.5 (xxi) | OOO Nord Imperial | Russian Federation | 100% | NA | Audited |
| 1.5 (xxii) | OOO Imperial Energy | Russian Federation | 100% | NA | Audited |
| 1.5 (xxiii) | OOO Imperial Energy Tomsk Gas | Russian Federation | 95% | NA | Audited |

| | | | | | |
|-------------|---|--------------------|---------|---------|---------|
| 1.5 (xxiv) | OOO Stratum | Russian Federation | 100% | NA | Audited |
| 1.5 (xxv) | OOO Imperial Trans Service | Russian Federation | 100% | NA | Audited |
| 1.5 (xxvi) | OOO Rus Imperial Group | Russian Federation | 100% | NA | Audited |
| 1.5 (xxvii) | TOO Sevkazgra | Kazakhstan | 75% | NA | Audited |
| 2. | Mangalore Refinery and Petrochemicals Ltd. (MRPL) | India | 71.62% | 71.62% | Audited |
| 3. | Petronet LNG Limited (PLL) (JV) | India | 12.50% | 12.50% | Audited |
| 4. | Petronet MHB Ltd (PMHBL) (JV) | India | 28.766% | 28.766% | Audited |
| 5. | Mangalore SEZ Ltd (MSEZ) (JV) | India | 26.00% | 26.00% | Audited |
| 6. | ONGC Mangalore Petrochemicals Ltd. (OMPL) (JV) | India | 46.00% | 46.00% | Audited |
| 7. | ONGC Petro Additions Ltd. (OPAL) (JV) | India | 41.93% | 41.93% | Audited |
| 8. | ONGC Tripura Power Company Ltd. (JV) | India | 49.515% | 26.00% | Audited |
| 9. | ONGC Teri Biotech Ltd. (JV) | India | 49.98% | 49.98% | Audited |

2. In view of different sets of environment/prevalent laws in the respective countries in which the subsidiaries/JVs are operating, the accounting policies followed (for treatment of depreciation of fixed assets, sales revenue and royalty etc.) by the subsidiaries/JVs are different from the accounting policies of the Company. Such different accounting policies have been adopted in respect of the following:

2.1 Depreciation on Fixed Assets (Schedule 5)

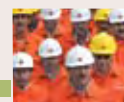
(Rs. in million)

| Names of Subsidiaries/ JV | Accounting Policies | | Proportion - Depreciation | | Proportion – Net Block | |
|---------------------------|---|----------------------|---------------------------|-----------|------------------------|------------|
| | Company | Subsidiaries/ JV | 2008-09 | 2007-08 | 2008-09 | 2007-08 |
| MRPL | Written Down Value Method at the rates specified in Schedule XIV. | Straight Line Method | 3,821.76 | 3,776.13 | 36,319.32 | 39,405.00 |
| Petronet LNG Ltd.* | | | 127.65 | 127.40 | 1,829.24 | 1,953.10 |
| Petronet MHB Ltd. | | | 126.30 | 126.03 | 1,093.65 | 1,342.84 |
| Mangalore SEZ Ltd.* | | | 0.24 | 0.13 | 2.65 | 1.25 |
| OMPL | | | 1.62 | 0.42 | 4.51 | 2.98 |
| OpaL* | | | 0.12 | 0 | 5.94 | 0 |
| Jarpeno Limited | | | 134.45 | NA | 615.05 | NA |
| OAAL | | | 430.27 | 280.83 | 3,580.92 | 1,688.64 |
| OMEL | | | 5.08 | 4.54 | 19.14 | 11.39 |
| Total- Proportion | | | 4,647.49 | 4,315.48 | 43,470.42 | 44,405.20 |
| Total CFS | | | 57,157.73 | 58,082.64 | 174,575.01 | 186,337.24 |

*In respect of PLL, OPAL and MSEZ, the software/intangibles are depreciated over a period of 3 to 5 years. The depreciation and net value of software/ intangibles is included in the table above.

- 2.2 ONGBV, the subsidiary of OVL follows the entitlement method for revenue recognition associated with sale of crude oil and liquids for its share of petroleum production as specified in the Exploration Production Sharing Agreement (EPSA) and Crude Oil Pipeline Agreement (COPA). The amount involved is Rs. 82,410.16 million (Previous year Rs. 89,262.27 million) shown as sales under Schedule-17.

- 2.3 The subsidiary of OVL, ONGBV conducts its operations in Sudan jointly with Sudapet, the National Oil Company of Sudan among others. All government stakes other than income taxes are considered to be royalty interest. Royalties on production represents the entitlement of the Government of Sudan to a portion of the ONGBV's share of crude oil and liquid production and are recorded using the rates in effect under the terms of the contract at the time of production. The royalties/taxes in Syrian



concession are accounted similarly by ONGBV. The amount involved is Rs. 62,096.09 million (Previous year Rs. 55,755.94 million) which is included under the head Royalty in schedule -20.

2.4 The subsidiaries and joint venture entities of subsidiary - OVL provide for the retirement benefits in accordance with the laws of their respective jurisdictions. The net impact on account of the difference in accounting policy is not ascertainable.

3.1. The Associate considered in the Consolidated Financial Statements is as under:

| Name of the Associate | Country of incorporation | Proportion of ownership interest | |
|--------------------------------|--------------------------|----------------------------------|---------|
| | | 2008-09 | 2007-08 |
| Pawan Hans Helicopters Limited | India | 21.54% | 21.54 % |

3.2. In respect of Pawan Hans Helicopters Limited (PHHL), the audited Annual Accounts for the year 2008-09 have not yet been received. Till the previous year i.e. upto 2007-08, PHHL provided the accounts to the company upto 2006-07. In the current year, the un-audited accounts for the year 2008-09 and the audited accounts for the year 2007-08 have been provided by PHHL and considered. The share of profit of Rs. 51.27 million and Rs.47.56 million for the year 2008-09 and 2007-08 respectively have been considered as share of profit in Associate. No dividend has been received during the year 2008-09. No significant events or transactions between the company (or its subsidiaries) and PHHL have occurred which cause for adjustment in consolidated accounts.

3.3. Due to different nature of their operations, Pawan Hans Helicopters Limited, the Associate of the Company, follows different accounting policies. It is not practicable for the Company to make adjustment for the purposes of applying the equity method.

4. Capital commitments (net of advances) not provided for

- a. Estimated amount of Contracts remaining to be executed on capital account and not provided for.
 - i) In respect of the Company, its subsidiaries and Joint Venture Entities- Rs. 205,833.96 million (Previous year Rs. 103,000.49 million).
 - ii) In respect of Joint Ventures – Rs.5,569.32 million (Previous year Rs. 7,420.09 million).
- b. Minimum Work Programme Committed under various Production Sharing Contracts with Govt. of India & Govt. of foreign countries.
 - i) In respect of NELP blocks in which the company has 100% participating interest - Rs. 21,016.72 million (Previous year Rs. 32,773.98 million).
 - ii) In respect of Others – Rs.64,397.15 million (Previous year Rs. 49,704.12 million).

5. Contingent Liability

- a) Claims against the Company, its subsidiaries and Joint Ventures not acknowledged as debts which in the opinion of the Management are not tenable/under appeal at various stages:

(Rs. in million)

| | | As at 31 st March, 2009 | As at 31 st March, 2008 |
|----------|---|------------------------------------|------------------------------------|
| I | In respect of Company : | | |
| | i. Income tax matters | 22,211.09 | 39,796.74 |
| | ii. Excise Duty matters | 1,837.91 | 3,369.28 |
| | iii. Custom Duty matters | 1,571.68 | 1,564.15 |
| | iv. Royalty | 360.39 | 360.39 |
| | v. Cess | 4.92 | 0.22 |
| | vi. Sales Tax | 8,956.38 | 4,180.81 |
| | vii. Octroi | 66.89 | 66.89 |
| | viii. AP Mineral Bearing Land Tax | 922.92 | 726.96 |
| | ix. Specified Land Tax (Assam) | 1,646.06 | 1,354.36 |
| | x. Claims of contractors in Arbitration/Court | 64,348.30 | 51,710.78 |
| | xi. in respect of other matters | 6,907.04 | 6,332.43 |
| | Sub Total | 108,833.58 | 109,463.01 |

| | | | |
|-----------|--|-------------------|-------------------|
| II | in respect of Joint Ventures : | | |
| i. | Income tax matters | 8.91 | 8.91 |
| ii. | Custom Duty matters | 3,262.74 | 5,185.11 |
| iii. | Royalty | 12.39 | 21.04 |
| iv. | Cess | 10.64 | 8.71 |
| v. | Sales Tax | 2,941.15 | 2,028.79 |
| vi. | Claim of GOI for additional Profit Petroleum | - | 4,531.52 |
| vii. | Claims of contractors in Arbitration/Court | 471.74 | - |
| viii. | in respect of other matters | 550.41 | 737.61 |
| | Sub Total | 7,257.98 | 12,521.69 |
| | Total | 116,091.56 | 121,984.70 |

- b. Contingent liabilities, if any, in respect of JVs where OVL is non-operator, is not ascertainable except Sakhalin-1 where the Operator has intimated that the status of contingent liability is Nil. In respect of Petronet MHB Limited, there are 162 cases regarding enhancement of land compensation pending with Bangalore Rural District Court and Hassan District Court and the amounts are not ascertainable at present
- c. i) Bank Guarantees given by the Company Rs.1,542.65 million (Previous year Rs. 1,175.08 million) including Rs.1,495.11 million (Previous year Rs. 1,154.13 million) for NELP Blocks where the Company has 100% participating interest (PI)
- ii) Bank Guarantees in respect of Joint ventures – Rs.4,947.94 million (Previous year Rs.1,697.51 million).
- d. Foreign Letter of credit / Bank Guarantees given by Subsidiary OVL – Rs. 2,353.99 million (Previous year Nil).

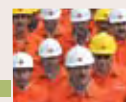
e. Guarantees executed by the Company on behalf of its wholly owned subsidiary, ONGC Videsh Limited (OVL) and ONGC Nile Ganga BV (wholly owned subsidiary of OVL):-

A. Guarantees executed for financial obligations:

- (i) Amount of Guarantee Rs.57,062.28 million (Previous year Rs. 32,233.25 million)
- (ii) Amount of Guarantee Outstanding Rs.56,447.65 million (Previous year Rs. 3,082.86 million).

B. Performance Guarantees executed under the contracts:

- (i) Guarantee in respect of Sakhalin Project in favour of Exxonnetftgas Ltd., M/s. Roseneft-S, SMNG-S and RN-Astra towards performance of Company's obligation under Joint Operating Agreement (JOA) without any financial ceiling.
- f. Corporate Guarantees executed by the company on behalf of its subsidiary, MRPL: -
- (i) Amount of Guarantee Rs.18,356.40 million (Previous year Rs. 14,335.20 million)
- (ii) Amount Outstanding Rs.3,295.49 million (Previous year Rs. 8,468.52 million)
- g. Corporate Guarantees executed by subsidiary - MRPL: towards loan sanctioned by bankers/financial institutions to New Mangalore Port Trust (NMPT):
- (i) Amount of Guarantee Rs. 3,372.30 million (Previous year Rs. 3,372.30 million)
- (ii) Amount Outstanding Rs. 69.47 million (Previous year Rs. 230.27 million)
- h. Corporate Guarantee executed by subsidiary – OVL on behalf of its wholly owned subsidiary ONGC Narmada Limited :
- (i) Amount of Guarantee Rs 214.16 Million (Previous year Rs 167.24 million)
- (ii) Amount Outstanding Rs 214.16 Million (Previous year Rs 167.24 million)
- i. Guarantees given by ONGBV (a subsidiary of OVL)
- i) ONGBV has given performance guarantee to ANP, the regulatory authority in Brazil, favouring ONGC Campos Ltd (OCL) for BC-10 Project where OCL has a 15% participating interest and Shell Brazil is the operator. OCL has paid its cash calls under the project. The total financial investment budgeted for the BC-10 Project from 2009 onwards is USD 3,568.16 million out of which OCL's 15% share works out to USD 535.22 million, equivalent to Rs. 27,290.87 million (Previous year Rs.23,716.79 Million).
- ii) ONGBV has given guarantee to State Bank of India for granting of guarantee facilities to ONGC Mittal Energy Limited (OMEL). Under the said guarantee facility to OMEL, SBI London has issued performance bonds in favour of Nigerian National Petroleum Corporation. The obligation of the Company is limited to 51% of the guaranteed amounts. As on 31/03/2009, the outstanding guarantee obligation of the company was USD 56.35 million equivalent to Rs. 2,873.29 million.



6. In terms of the decision of Government of India (GoI), the Company has shared under recoveries of Oil Marketing Companies (OMCs) for the year 2008-09 by allowing discount in the prices of Crude Oil, PDS Kerosene and domestic LPG based on provisional rates of discount communicated by Petroleum Planning and Analysis Cell, Ministry of Petroleum & Natural Gas (MoP&NG). The Company does not foresee any material impact on finalization of discount rates. The impact of discount is as under:

(Rs. in million)

| Decrease in | For the year ended | |
|-----------------------------|--------------------|------------|
| | 31.03.2009 | 31.03.2008 |
| Gross Revenue | 282,252.09 | 220,008.79 |
| Less: Value Added Tax (VAT) | 7,373.66 | 7,839.19 |
| Net Sales Revenue | 274,878.43 | 212,169.60 |
| Less: Statutory Levies | 35,549.26 | 11,577.19 |
| Profit Before Tax | 239,329.17 | 200,592.41 |

- 7.1 Sales revenue in respect of Crude Oil from Indian Operations is based on the pricing formula agreed with the customers for the period from 01.04.2002 to 31.03.2004. Pending finalization of fresh Memorandum of Understanding/Crude Oil Sale Agreement (COSA) with the customers, the same pricing formula has been provisionally applied from 01.04.2004 onwards.
- 7.2 Sales revenue in respect of Natural Gas from Indian Operations under Administered Price Mechanism (APM) is based on the gas prices fixed on provisional basis as per directives dated 20.06.2005 and 05.06.2006 of the GoI, MoP&NG.
- 7.3 Adjustments, if any, on account of para 7.1 and 7.2 above shall be carried out on finalization of agreement/directives. However, the Company does not foresee any material impact on current year's results.
8. The Company was paying Royalty on onshore crude oil at pre-discount prices till 2007-08 in India. The Company had represented to MoP&NG for payment of Royalty on onshore crude oil at post-discount prices. MoP&NG issued a communication during the year to pay Royalty on onshore crude oil at post-discount prices. Accordingly, royalty on onshore crude oil in India has been accounted for at post-discount prices w.e.f. 01.04.2008. As a result, royalty on crude oil is lower and corresponding profit before tax is higher by Rs. 17,778.38 million.
9. Extra-ordinary items Rs. 657.73 million are on account of full and final settlement of Insurance Claim in respect of flood damage compensation for Hazira Gas Complex (during August, 2006) after adjustment of net book value of damaged assets.
10. The Company had not been valuing crude oil in Group Gathering Stations (GGS) and flow lines from GGS to Central Tank Farm (CTF) till 2007-08. During the year, the policy was reviewed and the Company decided to value the crude oil quantity in GGS and in flow lines from GGS to CTF. Due to this change, there is an increase in inventory of crude oil of 40,938 MT as on 31.03.2009. This has resulted in increase in inventory as on 31.03.2009 by Rs. 144.88 million with corresponding increase in profit before tax.
11. The Company had changed the rate of depreciation in 2005-06 on all Trunk Pipelines and Onshore Flow Lines (assets below ground) from 27.82% to 100% based on technical assessment by the management. The Company had made a reference to the Ministry of Corporate Affairs in 2006-07 for confirmation of the rate of depreciation. Pending confirmation by the Ministry, the company continues to charge depreciation at 100% on such assets.

12. Acquisitions:

12.1 Jarpeno Limited:

Jarpeno Limited, Cyprus ("Jarpeno") was acquired on 12th August, 2008 as a wholly-owned subsidiary by ONGC Videsh Ltd. (OVL), a wholly owned subsidiary of ONGC. During the year, Jarpeno has acquired Imperial Energy Corporation plc, UK ("Imperial"). Imperial, through its indirect subsidiaries/joint ventures, operates in several oil and gas blocks in Tomsk Region of Western Siberia, Russia. Jarpeno acquired the entire issued share capital of Imperial consisting of 104.61 million equity shares of 2.5 UK Pence each at a price of GBP 12.50 per share for aggregate consideration of GBP 1,314.18 million (equivalent to USD 1,922.10 million) ("Acquisition Cost") inclusive of related stamp-duty. To meet part requirement of funds, borrowings aggregating to Rs. 48,553.73 million were made by OVL by issue of Commercial Papers ("CP") having face value of Rs. 52,500 million at a discount yield of 8.15% per annum. The CPs have been guaranteed by the company and are due for repayment on 8th January 2010.

12.2 San Cristobal Project, Venezuela:

On April 10, 2008, OVL acquired 40% of the share capital Petrolera IndoVenezolana S.A. (PIVSA), Mixed Company through its

indirect subsidiary ONGC Nile Ganga (San Cristobal) B.V. (ONGSCBV) for which a consideration amounting to about USD 173.10 million was paid to the Government of Venezuela. The other 60% share capital is being held by Corporacion Venezolana Del Petroleo S.A. (CVP), a subsidiary of Petroleo de Venezuela S.A. (PDVSA), the national oil company of Venezuela. The project involves development of San Cristobal oil fields located in Zuata subdivision of Orinoco Heavy Oil belt. PDVSA has since transferred the project assets amounting to USD 212.65 million to PIVSA for which no payment is required to be made by the mixed company PIVSA. The excess of purchase consideration payment (USD 173.10 million) by ONGSCBV over its share in transferred amount of assets (USD 85.06 million) has been presented in the consolidated financial statements as 'Goodwill' in accordance to the accounting treatment followed by OVL. The Company has amortized the said Goodwill over the producing life of the project by applying the unit of production method.

As on 31st March, 2009 the value assigned as initialed contribution to the property, plant and equipment is in the process of being approved by the shareholders, which is the requirement of the applicable joint venture agreement. Management proposes to carry out the necessary adjustments, if any, in the next financial year. In the opinion of the management, the adjustment, if any, on this account will not be significant.

13. Amortization of Goodwill:

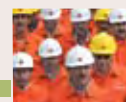
Following prudent accounting, the Subsidiary –OVL amortizes goodwill based on Unit of Production Method. Goodwill amortized during the year amounted to Rs 2,876.56 million (Previous year Rs. 2,306.71 million) in respect of following project/subsidiaries:

(Rs. in million)

| | 2008-09 | 2007-08 |
|---|-----------------|-----------------|
| GNOP, Sudan (ONGC Nile Ganga B.V.) | 750.84 | 587.98 |
| MECL, Colombia (ONGC Amazon Alaknanda Ltd.) | 1,549.68 | 1,718.73 |
| Imperial Energy Corporation Plc, UK (Jarpeno Ltd.) | 275.15 | - |
| San Cristobal Project, Venezuela (ONGC Nile Ganga (San Cristobal) B.V.) | 300.89 | - |
| Total | 2,876.56 | 2,306.71 |

14. The Company had acquired 90% Participating Interest in Exploration Block KG-DWN- 98/2 from M/s Cairn Energy India Ltd. in 2004-05 for a lump sum consideration of Rs. 3,711.22 million which was capitalized under Exploratory wells in Progress as per Accounting Policy no. 6.1. Subsequently drilling of three wells was completed in this block till March 2006 at a cost of Rs. 2,393.58 million and included in Exploratory wells in Progress. There are Initial-in-Place-Reserves in this block and also conceptual development plan is under way. The block is located in deep waters needing more time for completion of appraisal programme. However, the Company as an abundant precaution, had made a provision of Rs. 6,104.80 million in respect of above costs in 2007-08. Since there is no change in status of reserves of this block during the current year, the expenditure amounting to Rs. 2,360.39 million on drilling of two additional wells completed during 2006-07, being more than two years old, has been provided for.
15. During the year, the company has reviewed the treatment of expenditure on refurbishment of assets in terms of requirement of Accounting Standard (AS-10) on Accounting for Fixed Asset to have uniformity of treatment of such expenditure. As a result, expenditure on refurbishment which meets the specified criteria under AS-10 amounting to Rs. 2,282.17 million incurred in earlier year on the ongoing projects as on 01.04.2008 has been capitalized by crediting to prior period items-other production expenditure. Similarly, such expenditure incurred in the current year to the extent of Rs.1,349.30 million has been capitalized. Due to such treatment, profit for the year has increased by Rs. 3,219.82 million, net of depreciation, with corresponding increase in respective assets.
16. In respect of Ravva JV in India, the demand towards additional profit petroleum raised by GoI, was disputed by the operator due to differences in perception of PSC provision in respect of computation of Post Tax Rate of Return (PTRR). The JV parties other than ONGC had gone in for arbitration with the GoI on different issues. In its partial award dated 12.10.2004, the arbitral tribunal had issued certain directions favouring operator, which were further challenged by the GoI and the said award has been set aside by the Honorable High Court of Kuala Lumpur, Malaysia in January,2009. Although the Company is not a party to the dispute, and the dispute has not been concluded, as an abundant precaution, the Company has made provision of Rs. 5,771.14 million on account of additional profit petroleum and Rs. 2,829.86 million for interest thereon and included under Provisions - Others in Schedule-23.
- 17.1 The Company is mainly in the oil and gas exploration and production activities where each cost centre used for depreciation (depletion) purposes has been identified as independent Cash Generating Unit (CGU) for assessing the impairment in Producing Properties and fixed assets etc. on the basis of 'value in use'. The Company has tested all its assets for impairment in India by applying discount rates of 16.61% (Previous year 15.64%) for Rupee transactions and 13.40% (Previous year 11.13%) for crude oil and value added products revenue measured in USD as on 31.03.2009.

During the year, Rs. 1,240.59 million (Previous year Rs. 84.90 million) has been provided as additional impairment loss in respect of certain CGUs. Further, impairment loss to the extent of Rs. 4,350.91 million (Previous year Rs. 521.78 million) has been reversed in respect of Agartala and DVP Jorhat fields due to increased Gas price, accretion in reserves and change in sales profile.



- 17.2 Till 2007-08, accounting policy of OVL, a wholly owned subsidiary, on impairment was based on assessment of recoverable amount as per 'value in use' method as the carrying value was less than the Net Present Value determined as per 'value in use' method. During the year, in view of significant economic downturn and consequential drop in crude oil prices, the applicable assets were tested for impairment. The test, based on recoverable amount being higher of net selling price and value in use, resulted in no need for impairment in any of the applicable assets.

OVL has carried out impairment test for the assets of its subsidiary companies also. The auditors of Jarpeno Ltd., (100% subsidiary of OVL), following 'value in use' method of calculating recoverable amount, have opined in their audit report of 13th June, 2009 that discount rate applicable to upstream oil and gas assets of Jarpeno Ltd. in Russia (Imperial Energy) should not be less than 15% and applying 15% discount rate would result in an impairment charge of USD 988 million (Rs. 50,378.12 million) against value of goodwill. As mentioned above, OVL has tested the assets of Imperial Energy in Russia and the recoverable amount was assessed at USD 1,750 million (Rs. 89,232.50 million) based on 'value in use' method and USD 2,286 million (Rs. 116,563.14 million) based on 'net selling price' method. As recoverable amount (higher of 'net selling price' and 'value in use') of USD 2,286 million (Rs. 116,563.14 million) is more than the carrying value of assets at USD 2,024 million (Rs. 103,203.76 million), no impairment provision has been made during the year in respect of assets of Jarpeno Ltd.

- 18 In respect of a Subsidiary MRPL, Forward contracts to the tune of US\$56.17 million are outstanding as on 31st March 2009 (US\$208 million as on 31st March, 2008), which were entered into, to hedge the risk of changes in foreign currency exchange rates on future export sales against existing long term export contract.

Keeping in view of the principle of prudence, the Subsidiary-MRPL has recognised an amount of Rs.226.38 million towards the mark to market (MTM) loss (net) as on 31st March 2009 (included under the head exchange fluctuation (net) in Schedule-20) on outstanding forward contracts mentioned above, as against non recognition of such losses Rs.120.47 millions in the previous year.

- 19 The Net Deferred Tax Liability of the company, its subsidiaries and joint ventures as at 31st March, 2009 comprises of the major components of Deferred Tax Liabilities and Deferred Tax Assets as under:

| (Rs. in million) | | |
|---|------------------------------------|------------------------------------|
| Particulars | As at 31 st March, 2009 | As at 31 st March, 2008 |
| (i) Liabilities | | |
| Depletion of Producing Properties | 122,470.73 | 105,165.68 |
| Depreciation Allocated to Wells in Progress & expenses relating to NELP | 5,294.21 | 5,081.03 |
| Deferred Revenue Expenditure written off | 2,211.42 | 2,290.59 |
| Development wells-in Progress | 6,444.16 | 4,469.04 |
| Depreciation | 19,710.56 | 18,363.07 |
| Others | 1,969.66 | 2,059.22 |
| Deferred tax liability of ONGBV, OAAL- Subsidiary of OVL | 5,957.26 | 3,738.02 |
| Sub Total | 164,058.00 | 141,166.65 |
| (ii) Assets | | |
| Depreciation | 5,021.17 | 3,314.50 |
| Unabsorbed losses and allowances | 409.23 | 56.01 |
| Dry wells written off | 14,270.87 | 2,838.94 |
| Provision for Non Moving Inventories | 1,324.95 | 3,451.16 |
| Provision for Doubtful Debts/ Claims /Advances/ Interest | 2,887.20 | 2,121.08 |
| Provision for Abandonment | 29,888.16 | 19,759.89 |
| Provision for Leave Encashment | 4,564.62 | 3,725.84 |
| Provision towards Additional Profit Petroleum & interest-Ravva | 2,923.48 | 0.00 |
| Statutory duties unpaid u/s 43B | 773.52 | 11,709.75 |
| Others | 8,693.01 | 6,813.98 |
| Deferred tax asset of ONGBV,OAAL,OMEL - Subsidiary of OVL | 1,070.96 | 0.00 |
| Sub Total | 71,827.17 | 53,791.15 |
| Net Liability (i-ii) | 92,230.83 | 87,375.50 |

The above includes net Deferred Tax Asset of Petronet MHB Ltd, Rs. 185.98 million (Previous year Rs. 188.02 million).

20 Foreign Currency Translation Reserve:

The Subsidiary-OVL has followed the Accounting Standard (AS)11- "Effects of Changes in Foreign Exchange Rates (revised 2003)" for incorporating in the consolidated financial statements following the principles for translation of the financial statements of Non-integral Foreign Operations. Accordingly, the resulting exchange gain of Rs 23,965.05 million (Previous year Rs 5,245.62 million exchange loss) has been accounted as foreign currency translation reserve and shown in Schedule 2 as per details given below:

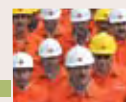
| (Rs. in million) | | |
|---------------------------------------|------------|------------|
| Particulars | 2008-09 | 2007-08 |
| Opening Balance | (8,565.95) | 3,320.33 |
| Additions during the current year | 23,965.05 | 5,245.62 |
| Closing balance (As per Schedule - 2) | 15,399.10 | (8,565.95) |

21 Joint Venture Accounting:

21.1 Jointly Controlled Assets in India

In respect of certain blocks, the Company's Joint Ventures (JV) with certain bodies corporate have entered into Production Sharing Contracts (PSCs) with Gol. Details of these blocks and JVs as on 31.03.2009 are as under:

| Sl. No. | Blocks | Company's PI * | Others Partners and their PI in the JV/Operatorship ** |
|----------|-----------------------------|----------------|---|
| A | Jointly Operated JVs | | |
| 1 | Mid & South Tapti | 40% (40%) | BGEPI - 30%, RIL - 30% |
| 2 | Panna & Mukta | 40% (40%) | BGEPI - 30%, RIL - 30% |
| B | Non-Operated JVs | | |
| 3 | Ravva | 40% (40%) | CEIL (Operator) - 22.5% PIL - 25% ROPL - 12.5% |
| 4 | CY-OS-90/1 (PY-3) | 40% (40%) | HEPI (Operator) - 18% HOEC - 21%, TPL - 21% |
| 5 | RJ-ON-90/1 | 30% (30%) | CEIPL (Operator) - 35% CEHL - 35% |
| 6 | CB-OS/2 - Expl. Phase | 25% (25%) | CEIPL (Operator) - 10% CEIWBV - 21% CECBV - 14% CEGBV - 15% TPL - 15% |
| | CB-OS/2 - Dev. Phase | 50% (50%) | CEIPL (Operator) - 6.70% CEIWBV - 13.20% CECBV - 10.10% CEGBV - 10% TPL - 10% |
| 7 | CB-ON/7 | 30% (30%) | HOEC (Operator) - 35%, GSPC - 35% |
| 8 | CB-ON/3 | 30% (30%) | EOL (Operator) - 70% |
| 9 | GK-OSJ-3 | 25% (25%) | RIL (Operator) - 60%, OIL - 15% |
| 10 | RJ-ONN-2001/1 | 30% (30%) | OIL (Operator) - 40% SRL - 30% |
| 11 | RJ-ONN-2002/1 | 40% (40%) | OIL (Operator) - 60% |
| 12 | AA-ONN-2002/3 | 70% (70%) | OIL (Operator) - 20% SRL - 10% |
| 13 | AN-DWN-2003/2 | 45% (45%) | ENI (Operator) - 40% GAIL - 15% |



| Sl. No. | Blocks | Company's PI * | Others Partners and their PI in the JV/Operatorship ** |
|----------|--------------------------|------------------|---|
| 14 | KG-ONN-2003/1 | 51% (51%) | CEIL - 24%, Cairn India – 25% |
| 15 | RJ-ONN-2003/1 | 36% (36%) | ENI (Operator) -34%, CIL -30% |
| 16 | GV-ONN-2003/1 | 51% (51%) | CEIL(Operator) -49% |
| 17 | VN-ONN-2003/1 | 51% (51%) | CEIL(Operator) -49% |
| 18 | PR-OSN-2004/1 | 35% (35%) | Cairn Energy (Operator)-10% Cairn India-25%, TPL-30% |
| C | ONGC Operated JVs | | |
| 19 | CB-OS/1 | 32.89 % (32.89%) | TPL – 10%, HOEC – 57.11% |
| 20 | KG-DWN-98/2 | 65% (90%) | CEIL – 10%, PIB BV – 15% HEIBV – 10% |
| 21 | KG-DWN-98/4 | 55% (85%) | OIL – 15%, BGEPI – 30% |
| 22 | MN-DWN-98/3 | 60% (100%) | PIBBV – 40% |
| 23 | MN-OSN-2000/2 | 40% (40%) | GAIL – 20%, IOC – 20%, OIL – 20% |
| 24 | WB-OSN-2000/1 | 85% (85%) | IOC – 15% |
| 25 | CY-DWN-2001/1 | 55% (80%) | OIL – 20%, PIBBV – 25% |
| 26 | AA-ONN-2001/2 | 80% (80%) | IOC – 20% |
| 27 | AA-ONN-2001/3 | 85% (85%) | OIL – 15% |
| 28 | KK-DWN-2002/2 | 80% (80%) | HPCL – 20% |
| 29 | KK-DWN-2002/3 | 80% (80%) | HPCL – 20% |
| 30 | KG-DWN-2002/1 | 70% (70%) | OIL – 20% , BPCL – 10% |
| 31 | MN-DWN-2002/1 | 36% (70%) | OIL – 20% , BPCL - 10%, ENI-34% |
| 32 | CY-ONN-2002/2 | 60% (60%) | BPCL – 40% |
| 33 | CB-ONN-2002/1 | 70% (70%) | CIL – 30% |
| 34 | AA-ONN-2002/4 | 90% (90%) | OIL-10% |
| 35 | MN-DWN-2002/2 | 75% (100%) | BGEPI – 25% |
| 36 | GS-OSN-2003/1 | 51% (51%) | CE7L-49% |
| 37 | KK-DWN-2004/1 | 45% (45%) | CIL-40%, TATA-15% |
| 38 | CY-DWN-2004/1 | 70% (70%) | GSPC-10%, HPCL-10%, GAIL-10% |
| 39 | CY-DWN-2004/2 | 70% (70%) | GSPC-10%, HPCL-10% , GAIL-10% |
| 40 | CY-DWN-2004/3 | 70% (70%) | GSPC-10%, HPCL-10%, GAIL-10% |
| 41 | CY-DWN-2004/4 | 70% (70%) | GSPC-10% , HPCL-10% GAIL-10% |
| 42 | CY-PR-DWN-2004/1 | 70% (70%) | GSPC-10%, HPCL-10%, GAIL-10% |
| 43 | CY-PR-DWN-2004/2 | 70% (70%) | GSPC-10%, HPCL-10% ,GAIL-10% |
| 44 | KG-DWN-2004/1 | 70% (70%) | GSPC-10%, HPCL-10%, GAIL-10% |
| 45 | KG-DWN-2004/2 | 60% (60%) | GSPC-10%, HPCL-10%, GAIL-10%, BPCL-10% |
| 46 | KG-DWN-2004/3 | 70% (70%) | GSPC-10%, HPCL-10%, GAIL-10% |
| 47 | KG-DWN-2004/5 | 50% (50%) | GSPC-10%, HPCL-10%, GAIL-10%, OIL-10%, BPCL-10% |
| 48 | KG-DWN-2004/6 | 60% (60%) | GSPC-10%, HPCL-10%, GAIL-10%, OIL-10% |
| 49 | KG-OSN-2004/1 | 55% (55%) | BGEPI-45% |
| 50 | CB-ONN-2004/1 | 50% (50%) | GSPC-40%, HERA-MEC-10% |
| 51 | CB-ONN-2004/2 | 50% (50%) | GSPC-40%, SRL -10% |
| 52 | CB-ONN-2004/3 | 40% (40%) | GSPC-35%, ENSEARCH-25% |
| 53 | CB-ONN-2004/4 | 50% (50%) | GSPC-40%, HERAMEC-10% |
| 54 | CY-ONN-2004/1 | 80% (80%) | BPCL-20% |
| 55 | CY-ONN-2004/2 | 80% (80%) | BPCL-20% |

| Sl. No. | Blocks | Company's PI * | Others Partners and their PI in the JV/Operatorship ** |
|---------|---------------|----------------|--|
| 56 | MB-OSN-2005-1 | 80% (-) | GSPC – 20% |
| 57 | MB-OSN-2005-5 | 70% (-) | GSPC – 30% |
| 58 | MB-OSN-2005-6 | 80% (-) | GSPC – 20% |
| 59 | AN-DWN-2005/1 | 90% (-) | OIL – 10% |
| 60 | KG-DWN-2005/1 | 70% (-) | IOC -20%, GSPC – 10% |
| 61 | KK-DWN-2005/2 | 90% (-) | GSPC – 10% |
| 62 | KG-OSN-2005/1 | 60% (-) | HMEL – 20%, GSPC – 20% |
| 63 | KG-OSN-2005/2 | 80% (-) | HMEL – 20% |
| 64 | Raniganj | 74% (74%) | CIL – 26% |
| 65 | Jharia | 90% (90%) | CIL – 10% |
| 66 | NK-CBM-2001/1 | 80% (80%) | IOC – 20% |
| 67 | BK-CBM-2001/1 | 80% (80%) | IOC – 20% |

* PI - Participating Interest

** There is no change in previous years details unless otherwise stated.

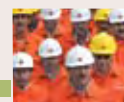
21.2 List of the blocks surrendered in India are given below:

| Sl. No. | Joint Ventures / PSCs | Company's PI* | Year of Surrender | Others Partners and their PI in the JV/Operatorship ** |
|---------|-----------------------|---------------|-------------------|--|
| 1 | GK-OSJ-1 | 25% | 2003-04 | RIL-50%, Tullow India Operations Ltd-25% |
| 2 | KK-OSN-2000/1 | 100% | 2003-04 | |
| 3 | KK-OSN-97/3 | 100% | 2004-05 | |
| 4 | KK-DWN-2000/2 | 85% | 2004-05 | GAIL-15% |
| 5 | GS-DWN-2000/1 | 100% | 2005-06 | |
| 6 | GS-DWN-2000/2 | 85% | 2005-06 | GAIL-15% |
| 7 | MB-DWN-2000/1 | 85% | 2005-06 | IOC-15% |
| 8 | MB-DWN-2000/2 | 50% | 2005-06 | IOC-15%,GAIL-15%,OIL-10%, GSPC-10% |
| 9 | KK-DWN-2000/4 | 100% | 2005-06 | |
| 10 | CY-OSN-2000/1 | 100% | 2006-07 | |
| 11 | CY-OSN-2000/2 | 100% | 2006-07 | |
| 12 | MN-OSN-2000/1 | 100% | 2006-07 | |
| 13 | MB-OSN-97/4 | 70% | 2006-07 | IOC-30% |
| 14 | KG-OSN – 97/1 | 100% | 2007-08 | |
| 15 | MN-OSN-97/3 | 85% | 2007-08 | GAIL – 15% |
| 16 | GS-DWN-2002/1 | 100% | 2007-08 | |
| 17 | ST-CBM-2003-II | 100% | 2007-08 | |
| 18 | GV-ONN-97/1 | 40% | 2008-09 | IOC – 30%, CAIRN – 30% |
| 19 | MN-ONN-2000/1 | 20% | 2008-09 | OIL-25%,IOC-20%,GAIL-20%,SRL-15% |
| 20 | MB-OSN-2000/1 | 75% | 2008-09 | IOC-15%, GSPC-10% |
| 21 | GS-OSN-2001/1 | 100% | 2008-09 | |
| 22 | PG-ONN/2001/1 | 100% | 2008-09 | |
| 23 | BS(3)CBM-2003/II | 70% | 2008-09 | GSPC – 30% |
| 24 | NK(WEST)-CBM-2003/1 | 100% | 2008-09 | |

* PI - Participating Interest

** There is no change in previous years details unless otherwise stated.

Abbreviations: BGEPIL- British Gas Exploration & Production India Ltd., BPCL-Bharat Petroleum Corporation Ltd., CEIL-Cairn Energy India Ltd, CIL-Coal India Ltd., GAIL -Gail India Ltd., GSPC-Gujarat State Petroleum Corporation Ltd., HOEC- Hindustan



Oil Exploration Co. Ltd., HPCL- Hindustan Petroleum Corporation Ltd, OIL -Oil India Ltd., IOC- Indian Oil Corporation Ltd., RIL- Reliance Industries Ltd., TPL-Tata Petrodyne Ltd., HEPI - Hardy Exploration & Production (India) Inc., PIL- Petrocon India Ltd. ROPL-Ravva Oil (Singapore) Pte. Ltd., CEIPL- Cairn Energy India Pty Ltd., CEHL- Cairn Energy Hydrocarbons Ltd., TIOL - Tullow India Operations Ltd., SRL – Suntera Resources Ltd.

21.3 The Financial position of the JV/NELP blocks in India are as under:

(Rs. in million)

| | No. of JVs/ NELP Blocks | Assets | Liabilities | Income | Expenditure | Profit/Loss before tax |
|----------------------------|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------|
| NELP Block-100% PI* | 19 (30) | 1,126.02 (760.43) | 638.60 (361.87) | 0.08 (22.48) | 13,668.21 (8,921.43) | -13,668.13 (-8,898.95) |
| Blocks with other partners | 67 (61) | 67,655.63 (58,580.95) | 32,876.06 (24,180.80) | 49,971.59 (51,857.66) | 40,258.55 (38,879.84) | 9,713.04 (12,977.82) |
| Surrendered till date | 24 (12) | 155.22 (8.44) | 1,902.51 (572.72) | 0.10 (0.23) | 3,147.64 (38.04) | -3,147.54 (-37.81) |
| Total | 110 (103) | 68,936.87 (59,349.82) | 35,417.17 (25,115.39) | 49,971.77 (51,880.37) | 57,074.40 (47,839.31) | (7,102.63) (4,041.06) |

21.3.1 The financial statements of 91 out of 110 JVs/NELP as per para no. 21.3 have been incorporated in the accounts by the company to the extent of company's participating interest in assets, liabilities, expenditure, income and profit (loss) before tax on the basis of statements certified in accordance with production sharing contract and the same has been adjusted for changes as per accounting policy No. 9.1.

In respect of balance 19 (Previous year 12) JVs/NELP assets, liabilities, Income and expenditure amounting to Rs.32.93 million (Previous year Rs. 163.18 million), Rs.921.25 million (Previous year Rs. 48.41 million), Rs.0.06 million (Previous year Rs 0.19 million) and Rs.478.69 million (Previous year Rs. 962.74 million) respectively have been incorporated on the basis of uncertified statements prepared under the production sharing contracts.

21.4 (a) The Company has entered into Farm Out Agreements for assigning PI in respect of NELP block as detailed below subject to approval by Gol:

| Block | Company's PI before assignment | Assigned PI | Farmee | Effective date |
|---------------|-----------------------------------|-------------|---------------------------|----------------|
| HF-ONN-2001/1 | 100% | 35% | BMN Investment Ltd. (MOL) | 08.05.2008 |
| CY-DWN-2001/1 | 55% | 10% | Rocksource ASA | 15.09.2008 |

As per agreement, Farmees have to share all costs (including exploration cost) from the effective date. Necessary accounting adjustments will be carried out on receipt of approval.

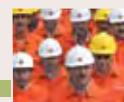
(b) In respect of farm out agreements, where necessary approval from Central Government has been obtained during the year, a sum of Rs. 4,979.55 million has been considered recoverable from the farmees towards the share of expenditure incurred from the effective date of the farm out agreement and has been credited to respective natural heads of account in the current year. Such recovery includes a sum of Rs. 1,820.86 million charged in earlier years.

22 Joint Ventures (Outside India) through Subsidiary - OVL

The details of Company's and its Subsidiaries significant Joint Ventures as on 31st March, 2009 are as under:

| Sl. No. | Name of the Project and Country of Operation | Company's participating share (%) | Other Consortium Members | Project Status |
|---------|---|-----------------------------------|---|--|
| 1. | Block 06.1 Project, Vietnam, Offshore | 45% | British Petroleum - 35% Petrovietnam - 20% | The project is under production and development. |
| 2. | Block 1a, 1b, 2a, 2b & 4 (GNOP) Project, Sudan, Onshore (Through ONGC Nile Ganga B.V) | 25% | CNPC - 40% Petronas - 30% Sudapet - 5% | The project is under production. |
| 3. | Sakhalin -1 Project, Russia, Offshore | 20% | ENL - 30% SODECO - 30% SMNG - 11.5% R N Astra - 8.5% | The project is under production and development. |

| | | | | |
|-----|---|---------|---|---|
| 4. | AFPC Project Syria, Onshore (Through ONGC Nile Ganga B.V) | 38.75% | Fulin – 50% Mittals – 11.25% | The project is under production. |
| 5. | MECL, Colombia, Onshore (Through ONGC Amazon Alaknanda Limited) | 50% | Sinopec – 50% | The project is under production and development. |
| 6. | Block 5A Project, Sudan, Onshore | 24.125% | Petronas - 67.875% Sudapet - 8% | The project is under exploration, production and development. |
| 7. | Block BC-10 Project, Brazil, Offshore (Through ONGC Nile Ganga B.V) | 15% | Shell – 50% Petrobras – 35% | The project is under development. |
| 8. | Block A-1 Project, Myanmar, Offshore | 20% | Daewoo - 60% KOGAS - 10% GAIL – 10% | The project is under exploration and appraisal. |
| 9. | Block A-3 Project Myanmar, Offshore | 20% | Daewoo - 60% KOGAS - 10% GAIL – 10% | The project is under exploration and appraisal. |
| 10. | Farsi Block Project, Iran, Offshore | 40% | IOC – 40% OIL – 20% | The project is under exploration Service contract and appraisal. |
| 11. | Block NC-188 & NC-189 Project, Libya, Onshore | 49% | TPOC - 51% | Block NC-189 is under exploration. Block NC-188 was under exploration and relinquished on 1st April 2009. |
| 12. | Block XXIV Project, Syria, Onshore | 60% | IPR - 40% | The Project is under exploration. |
| 13. | Block 5B Project, Sudan, Onshore | 23.5% | Petronas - 39% Lundin - 24.5% Sudapet - 13% | The project was under exploration and relinquished on 2nd May 2009. |
| 14. | Block 6 North Ramadan Project, Egypt, Offshore | 70% | IPR Red Sea - 30% | The project is under exploration and appraisal. |
| 15. | Block 2, Joint Development Zone, Nigeria / Sao Tome Principe (STP), Offshore (Through ONGC Narmada Limited) | 13.5% | Sinopec 28.67% ERHC-22% Addax-14.33% Equator – 9% A & Hatman Ltd. – 2.5% Foby – 5% Amber – 5% | The project is under exploration. |
| 16. | Block 25-29, 35 (Part) & 36 Project, Cuba, Offshore | 30% | Repsol – 40% Norsk Hydro – 30% | The project is under exploration. |
| 17. | Khartoum–Port Sudan Pipeline Project, Sudan | 90% | OIL – 10% | The pipeline on completion is under Lease. |
| 18. | Block NEMED in Offshore, Egypt | 33% | Shell – 51% Petronas – 16% | The project is under exploration and appraisal. |
| 19. | Block RC-8, Colombia | 40% | Ecopetrol - 40% Petrobras – 20% | The project is under exploration |
| 20. | Block RC-9, Colombia | 50% | Ecopetrol - 50% | The project is under exploration |
| 21. | Block RC-10, Colombia | 50% | Ecopetrol - 50% | The project is under exploration |
| 22. | MTPN Block, Congo | 20% | ENI -40% ExxonMobil – 40% | The project is under exploration |
| 23. | Block BM-SEAL-4, Brazil. (Through ONGC Nile Ganga B.V) | 25% | Petrobras 75% | The project is under exploration |
| 24. | Block BM-BAR-1, Brazil (Through ONGC Nile Ganga B.V) | 25% | Petrobras 50% Devon 25% | The project is under exploration |
| 25. | Block SSJN-7, Colombia | 50% | Pacific Stratus Energy 50% | The project is under exploration |



| | | | | |
|----|---|----------------------|--------------------------------|--|
| 26 | OPL-279, Nigeria (Through ONGC Mittal Energy Limited) | 22.74% (OMEL 45.5%) | EMO 40% Total 14.5% | The project is under exploration |
| 27 | OPL-285, Nigeria (Through ONGC Mittal Energy Limited) | 32.15% (OMEL 64.33%) | EMO 10% Total 25.67% | The project is under exploration |
| 28 | Block 11 & 12, Turkmenistan ((Through ONGC Mittal Energy Limited) | 15% (OMEL 30%) | Wintershall 34% Maersk Oil 36% | The project is under exploration and relinquished on 2nd May 2009. |
| 29 | San Cristobal Project, Venezuela (Through ONGC Nile Ganga B.V.) | 40% | CVP 60% | The project is under production and development. |

***Abbreviations used:** Addax – Addax Energy Nigeria Limited; British Petroleum – BP Exploration Operating Company Limited; CNPC – China National Petroleum Corporation; CVP – Corporacion Venezolana Del Petroleo S.A.; Daewoo – Daewoo International Corporation; Devon – Devon Energy do Brazil Ltda ; ENI – ENI Congo S.A. ; EMO – EMO Exploration & Production Limited; Equator – Equator Exploration JDZ Block 2 Limited; ERHC – ERHC Energy Nigeria JDZ Block 2 Limited; ENL – Exxon Neftegas Limited; Foby – Foby Energy Company Limited; Fulin – Fulin Investments Sarl; GAIL – GAIL (India) Limited; Norsk Hydro – Norsk Hydro ASA Norway; IOC – Indian Oil Corporation Limited; IPR – IPR Mediterranean Exploration Limited; IPR Red Sea – IPR Energy Red Sea Inc.; KOGAS – Korea Gas Corporation; Lundin – Lundin Muglad Limited; Maersk Oil- Maersk Oil Turkmenistan B.V; Mittals – Mittal Investments Sarl; Amber – Momo Deepwater JDZ Limited; Norsk Hydro – Norsk Hydro ASA; OIL – Oil India Limited; Pacific - Pacific Stratus Energy, Colombia; Petrobras – Petroleo Brasileiro S.A.; Petronas – Petronas Carigali Overseas Sdn Bhd; Petrovietnam – Vietnam Oil and Gas Group; Repsol – Repsol YPF Cuba SA; Shell – Shell Brazil Ltda; Sinopec – Sinopec Overseas Oil and Gas Limited; Sinopec JDZ– Sinopec JDZ Block 2 Limited; SMNG – Sakhalinmorneftegas Shelf; SODECO – Sakhalin Oil Development Company Limited; Sudapet – Sudapet Limited; TPOC – Turkish Petroleum Overseas Company Limited; Wintershall – Wintershall Holding AG.

22.1.1 Company's share in Joint Ventures (Outside India) through Subsidiary - OVL:

(i) The Company, its Subsidiaries' and the Joint Venture Company's share of assets, liabilities, income and expenses in the Joint Ventures as furnished by the operator has been incorporated in the financial statement as given below:

| (Rs. in million) | | | | | | | | | |
|--|------------------|------------------------|--------------------------|---|------------------|-----------------|------------------|-------------------|-------------------|
| Project | Net Fixed Assets | Net Producing Property | Capital Work in Progress | Exploratory and Development Wells in Progress | Current Assets | Cash & Bank | Liabilities | Income | Expenditure |
| A. Audited as of the Reporting Date | | | | | | | | | |
| Block 5A , Sudan | 2,334.92 | 6,060.21 | 821.51 | 960.16 | 1,137.60 | 116.50 | 8,479.57 | 4,979.59 | 3,499.17 |
| Block 5B, Sudan | 5.56 | 0.00 | 0.00 | 0.00 | (0.29) | 0.00 | 2,716.86 | 4.90 | 2,634.86 |
| Block 1a, 1b, 2a, 2b & 4, (GNOP) Project, Sudan, Onshore | 1,035.46 | 22,741.44 | 918.42 | 6,456.06 | 31,501.75 | 4,099.60 | 26,747.26 | 69,118.41 | 57,319.24 |
| AFPC, Syria | 0.90 | 3,443.38 | 0.00 | 14.53 | 6,749.49 | 3.90 | 6,206.80 | 29,108.67 | 26,326.59 |
| MECL, Colombia | 4,305.48 | 4,668.88 | 73.03 | 759.65 | 4,760.28 | 2,748.46 | 1,554.89 | 10,222.62 | 7,416.15 |
| Block BC-10, Brazil (includes BM-SEAL-4, BM-BAR-1) | 1.53 | 0.00 | 7,325.57 | 2,234.72 | 1,077.45 | 447.92 | 10,387.02 | 0.00 | 1,752.78 |
| PIVSA(San Cristobal) | 661.08 | 1,446.57 | 1,619.03 | 0.00 | 2,534.45 | 310.03 | 7,597.85 | 14,732.74 | 11,638.32 |
| Tamba BV. | 0.00 | 0.00 | 3,882.00 | 0.00 | 6,999.05 | 210.35 | 6,181.80 | 195.88 | 61.93 |
| Block A-1 Myanmar | 8.13 | 0.00 | 302.84 | 1,096.69 | 119.56 | 0.00 | 2,205.73 | 0.62 | 446.84 |
| Block A-3 Myanmar | 4.86 | 0.00 | 157.55 | 661.78 | 65.04 | 0.00 | 2,344.00 | 0.58 | 584.30 |
| Farsi Block , Iran | 0.54 | 0.00 | 0.00 | 1,418.69 | 7.60 | 6.32 | 2,808.20 | 0.53 | 67.30 |
| Jarpeno Limited | 615.04 | 14,215.51 | 0.21 | 13,203.52 | 2,790.05 | 708.62 | 16,137.80 | 790.99 | 2,520.23 |
| Sudan Pipeline | 0.00 | 0.00 | 0.00 | 0.00 | 770.52 | 0.00 | 4,511.23 | 387.44 | 456.89 |
| ONL | 18.95 | 0.00 | 580.52 | 37.64 | 48.09 | 8.76 | 6.35 | 9.13 | 122.22 |
| Block 06.1 Vietnam | 2,095.61 | 3,531.03 | 153.19 | 0.00 | 18,349.53 | 0.84 | 737.39 | 6,810.04 | 3,296.41 |
| Total (A) | 11,088.06 | 56,107.02 | 15,833.87 | 26,843.44 | 76,910.17 | 8,661.30 | 98,622.75 | 136,362.14 | 118,143.23 |
| B. Audited as of 31 December 2008 | | | | | | | | | |
| Sakhalin-1, Russia | 28,188.97 | 36,260.67 | 12,470.34 | 995.76 | 25,394.90 | 1,449.46 | 31,700.63 | 51,686.52 | 31,889.98 |
| Block XXIV , Syria | 11.78 | 0.00 | 0.00 | 33.47 | 80.52 | 0.00 | 1,000.00 | 0.00 | 604.04 |
| Block 6 North Ramadan, Egypt | 6.21 | 0.00 | 33.50 | 1,167.17 | 119.24 | 0.00 | 2,047.94 | 0.00 | 275.89 |
| COLOMBIA RC-8 Block Offshore | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.54 | 14.63 | 0.00 | 8.33 |

| | | | | | | | | | |
|------------------------------------|------------------|------------------|------------------|------------------|-------------------|------------------|-------------------|-------------------|-------------------|
| COLOMBIA RC-10 Block Offshore | 0.02 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 17.68 | 0.00 | 10.54 |
| Total (B) | 28,206.99 | 36,260.67 | 12,503.84 | 2,196.40 | 25,594.66 | 1,450.00 | 34,780.88 | 51,686.52 | 32,788.78 |
| C. Unaudited | | | | | | | | | |
| Block AD-7 Myanmar | 2.23 | 0.00 | 0.00 | 0.00 | 88.89 | 0.00 | 1,235.03 | 0.00 | 477.79 |
| Block SSJN-7, Colombia | 0.00 | 0.00 | 0.00 | 2,790.60 | 30.23 | 0.00 | 9,554.13 | 0.00 | 402.54 |
| COLOMBIA RC-9 Block Offshore | 0.00 | 0.00 | 346.91 | 72.32 | 50.80 | 0.00 | 958.57 | 0.00 | 53.48 |
| Block NC-188 & NC-189, Libya | 0.00 | 0.00 | 0.00 | 0.00 | 28.41 | 0.00 | 790.29 | 0.00 | 761.89 |
| Blocks 25-29, 35 (Part) & 36, Cuba | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Block NEMED, Egypt. Offshore, | 0.00 | 0.00 | 0.00 | 0.00 | 10.61 | 0.00 | 225.23 | 0.00 | 214.62 |
| MTPN Block, Congo, Offshore | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total (C) | 2.23 | 0.00 | 346.91 | 2,862.92 | 208.94 | 0.00 | 12,763.25 | 0.00 | 1,910.32 |
| Grand Total (A+B+C) | 39,297.28 | 92,367.69 | 28,684.62 | 31,902.76 | 102,713.77 | 10,111.30 | 146,166.88 | 188,048.66 | 152,842.33 |

*Represents expenditure as per joint venture statement. In the accounts of the Company, the amount is reflected after netting off as per the Accounting Standard (AS) 27 viz. Financial Reporting of interests in Joint Ventures.

The Company's share of assets, liabilities, incomes and expenses have been converted into the reporting currency at the average exchange rates over the period for which the details are provided by the Operators. Generally the details are provided by the operators on monthly basis except in respect of Sakhalin-1, Russia Project, where the details are provided by the Operator on quarterly basis.

- 23 (a) As per the Production Sharing Contracts signed by the Company with the GoI, the Company is required to complete Minimum Work Programme (MWP) within stipulated time. In case of delay in completion of the MWP, Liquidated Damages (LD) are payable for extension of time. Further in case of unfinished MWP or surrender of block without completing the MWP, the estimated cost of completing balance work programme is required to be paid to the GoI. The LD amounting to Rs.563.28 million (Previous year Rs. 498.51 million) and cost of unfinished MWP Rs.1,439.51 million (Previous year net of reversal Rs.97.89(credit) million) paid/payable to the GoI has been included in survey and dry wells expenditure in Schedule 21.

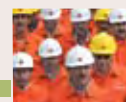
(b) In respect of 16 (Previous year 2) Deepwater NELP Blocks, LD and MWP amounting to Rs.6,229.03 million (Previous year- Rs.449.28 million) and Rs.13,075.42 million (Previous year-Nil) (Company' share) respectively has not been provided for, since the Rig moratorium proposal of the Company is still under consideration of GoI as per the Letter from Director General of Hydrocarbons (DGH). However, Rs.13,075.42 million has been included in Capital Commitment (Note No 4(b)).

- 24 The subsidiary - OVL had completed the execution of the 12"X741 Kms multi product pipeline from Khartoum Refinery to Port Sudan for the Ministry of Energy and Mining of the Government of Sudan (MEM) on Build, Own, Lease and Transfer (BOLT) basis and handed over the same to MEM during the Financial year 2005-06. The project was implemented in consortium with Oil India Limited, Company's share being 90%.

The EPC Contractor executing the project claimed additional costs aggregating to Rs. 1,894.15 million (Previous year Rs. 1,479.21 million) Company's share being Rs. 1,704.73 million, (Previous year Rs. 1,331.29 million), which have not been accepted by the Company. However, the claims have been forwarded to MEM for their approval for an aggregate amount of receivables from MEM of Rs. 2,354.55 million (Previous year Rs. 1,838.76 million), Company's share being Rs. 2,119.10 million (Previous Year Rs. 1,654.88 million). Pending settlement with the EPC Contractor, an amount of Rs. 1,171.51 million (revalued from Rs. 914.88 million), being the Company's share out of Rs. 1,301.68 million (revalued from Rs. 1,016.53 million) has been shown as liability based upon the advices received by the Company from its consultant. The Company's share of the balance amount has been shown as claims not acknowledged as debt. No revenue in this respect has been recognised pending final approvals by MEM. However, EPC Contractor has initiated arbitration with a claim for USD 25.49 million (Rs. 1,299.60 million) plus interest against the Company.

The payment under the contract would be received over a period of 10 years with a moratorium of one year from the date of the contract i.e. 30 June, 2004 in 18 equal semi-annual installments along with lease rental. The lease period commenced from the date of handing over of the pipeline system and will continue till all payments by MEM are completed. All titles in the works and the transportation system shall vest in the Company and the title shall pass to MEM in proportion to the payments made by MEM against total payments due to Company under the contract. Further, subject to regular payments on due dates by MEM to the Company, MEM shall have the exclusive right to use and operate the pipeline system and the Company shall not assign, transfer, sub-let, sub-contract, mortgage or create any rights to any third party or encumbrances or make any disposition to any third party. Accordingly, the amount of net investment in the lease (i.e. aggregate of Minimum Lease Payments MINUS Unearned Finance Income) is recognised and recorded as receivables under the lease. The finance income thereon has been recognised based upon the pattern reflecting the constant periodic rate of return on the outstanding net investment in the lease.

The first seven installments under the contract due in respect of the period till the reporting date have been received as of the reporting date.



The disclosure in accordance with the Accounting Standard (AS)-19 viz. Leases is as under:

(Rs. in million)

| Particulars | 31 st March 2009 | | 31 st March 2008 | |
|--|-------------------------------|----------|-----------------------------|----------|
| | Gross | Net | Gross | Net |
| a) Reconciliation between the total gross investment in the lease and the present value of minimum lease payments as at year end | | | | |
| - Not later than one year | 1,287.47 | 943.03 | 1,005.43 | 693.88 |
| - Later than one year and not later than five years | 5,149.87 | 4,408.72 | 4,021.73 | 3,236.03 |
| - Later than five years | 643.74 | 633.59 | 1,508.15 | 1,438.15 |
| Total | 7,081.08 | 5,985.34 | 6,535.31 | 5,368.06 |
| b) Unearned Finance Income | 1,095.74 | | 1,167.25 | |
| c) Unguaranteed residual value accruing to Company's benefit | Nil | | Nil | |
| d) Accumulated provision for uncollectible minimum lease payments receivable | Nil | | Nil | |
| e) Contingent rents recognised in the statement of profit and loss for the period | Nil | | Nil | |
| f) General description of the significant leasing arrangement | As described in para above | | As described in para above | |
| g) Accounting Policy followed in respect of initial direct costs | As per Accounting Policy 25.2 | | | |

25 Jointly Controlled Entities :

Company's share in assets, liabilities, income, expenses, contingent liabilities and capital commitments of Jointly Controlled Entities ONGC Mittal Energy Limited (JV of OVL) and Petronet LNG Ltd., Petronet MHB Ltd., Mangalore SEZ Ltd., ONGC Mangalore Petrochemicals Ltd., ONGC Petro Addition Ltd., ONGC Tripura Power Company Ltd., ONGC TERI Biotech Ltd., Shell MRPL aviation Fuels and Services Pvt. Ltd., & Managalam Retail Services Pvt. Ltd. is as below:

(Rs. in million)

| Description | | 31.03.2009 | 31.03.2008 |
|-------------|----------------------------------|------------|------------|
| i) | Assets | | |
| | Fixed Assets (Incl CWIP) | 19,408.94 | 5,755.80 |
| | Investments | 1,541.89 | 145.56 |
| | Current assets | 4,781.05 | 5,366.37 |
| ii) | Liabilities | | |
| | Current liabilities & provisions | 3,042.16 | 2,275.06 |
| | Other liabilities | 13,121.29 | 2,405.42 |
| | Deferred Tax Liabilities | 154.42 | 148.49 |
| iii) | Income | 11,433.18 | 8,462.45 |
| iv) | Expenses | 11,379.06 | 7,612.59 |
| v) | Contingent liabilities | 2,196.99 | 1,999.85 |
| vi) | Capital commitments | 36,235.60 | 4,944.56 |

26 Title to Fixed Assets under Production Sharing Agreements

The Subsidiary-OVL, and its Subsidiaries and Joint Ventures Company in consortium with other partners (Consortium) carry on their business in respect of exploration, development and production of hydrocarbons under agreements with the host governments. In several of these agreements governing activities in the fields / projects, the agreements provide that the title to the fixed assets and other ancillary installations shall pass to host government or its nominated entities either upon acquisition / first use of such assets or upon 100% recovery of such costs through allocation of "Cost Oil" and "Cost Gas" or upon relinquishment of the relevant contract areas or termination of the relevant agreement. However, as per the terms of the agreements, the Consortium and/ or Operator has the custody of all such assets and is entitled to use, free of charge all such assets for Petroleum Operations till the full term of the respective agreements. The Consortium also bears the custody and maintenance of such assets and all risks of accidental loss and damage and all costs necessary to maintain such assets and to replace or repair such damage or loss. Under the circumstances, such assets are kept in the records of the Company, Subsidiaries or the Joint Venture Company, as the case may

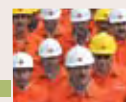
be, till the full term of the respective agreements.

27 Some of the balances of Debtors, Creditors and Loans and Advances are subject to confirmation/ reconciliation, Adjustments, if any, will be accounted on receipt/ confirmation of the same.

28 Information as per Accounting Standard (AS-18) on Related Party Disclosures is given below:

28.1 Name of the Related parties and description of relationship (excluding with State Controlled Entities):

| | | |
|--|-------|---|
| i) Joint Ventures (In India) | i | Ravva |
| | ii | CY-OS-90/1(PY3) |
| | iii | Panna, Mukta & Tapti |
| | iv | CB-OS-1 |
| | v | CB-OS-2 |
| | vi | GK-OSJ-3 |
| | vii | RJ-ON-90/1 |
| | viii | RJ-ONN-2003/1 |
| | ix | KK-DWN-2004/1 |
| | x | ONGC Mangalore Petrochemicals Limited |
| | xi | Petronet LNG Limited |
| | xii | ONGC Teri Biotech Limited. |
| | xiii | Mangalore SEZ Limited |
| | xiv | ONGC Petro Additions Limited |
| | xv | ONGC Tripura Power Co. Limited |
| ii) Joint Ventures (Outside India) through OVL | i | Block 06.1 Project, Vietnam |
| | ii | Sakhalin-1 Project, Russia |
| | iii | Block 1a, 1b, 2a, 2b & 4 Project, Sudan |
| | iv | Block 5A Project, Sudan |
| | v | MECL, Colombia |
| | vi | AFPC, Syria |
| | vii | Block BC-10, Brazil |
| | viii | Block BM-SEAL-4, Brazil |
| | ix | Block BM-BAR-1, Brazil |
| | x | Block A-1 Project, Myanmar |
| | xi | Block A-3 Project, Myanmar |
| | xii | Farsi Block Project, Iran |
| | xiii | Block 6 North Ramadan Project, Egypt |
| | xiv | Block NC-189 Project, Libya |
| | xv | Block XXIV Project, Syria |
| | xvi | Block 2, JDZ, Nigeria / STP |
| | xvii | Block 25-29, 35 (Part) & 36 Project, Cuba |
| | xviii | Khartoum – Port Sudan Pipeline Project, Sudan |
| | xix | ONGC Mittal Energy Limited, Cyprus |
| | xx | Block NEMED in Offshore, Egypt |
| | xxi | Block RC-8, Colombia |
| | xxii | Block RC-9, Colombia |
| | xxiii | Block RC-10, Colombia |
| | xxiv | Block SSJN-7, Colombia |
| | xxv | MTPN Block, Congo |
| | xxvi | San Cristobal Project, Venezuela |
| | xxvii | OOO Sibinterneft, Russian Federation |
| iii) Related Parties of JV Entities | i | Petronet India Ltd.(related party for PMHBL) |
| | ii | Infrastructure Leasing & Financial Services Ltd. (IL&FS) (related party for OTPC) |
| | iii | IL&FS Infrastructure Development Corp. Ltd. (ILFS) (related party for OTPC) |



28.2 Key Management Personnel:-

| |
|---|
| Functional Directors: |
| Parent Company |
| i) Shri R.S. Sharma, Chairman & Managing Director |
| ii) Dr. A. K. Balyan |
| iii) Shri A.K. Hazarika |
| iv) Shri N.K. Mitra (upto 31.01.2009) |
| v) Shri U. N. Bose |
| vi) Shri D.K. Pande |
| vii) Shri D.K.Sarraf |
| viii) Shri Sudhir Vasudeva (w.e.f. 01.02.2009) |
| Subsidiaries and Joint Ventures |
| i) Shri R S Butola, Managing Director*, ONGC Videsh Limited |
| ii) Shri A Mathur, Director (Commercial), ONGC Videsh Limited |
| iii) Shri J Thomas, Director (Exploration), ONGC Videsh Limited |
| iv) Shri S P Garg, Director (Finance), ONGC Videsh Limited (w.e.f 08.09.2008) |
| v) Ir. A R Baron Mackay Holding B.V., Director, ONGC Nile Ganga B.V. |
| vi) Dr. C M Lamba, Director, ONGC Nile Ganga B.V. |
| vii) Shri U.K.Basu, Managing Director (w.e.f 01.09.2008) of MRPL |
| viii) Shri R.Rajamani, Managing Director (upto 31.08.2008) of MRPL |
| ix) Shri L.K.Gupta, Director (Finance) |
| x) Shri Prosad Dasgupta, Managing Director & CEO, PLL |
| xi) Shri Amitav Sengupta, Director (Finance) PLL |
| xii) Shri C S Mani, Director (Technical) PLL |
| xiii) Shri P P Nandkarni, Managing Director, PMHBL |
| xiv) Shri Alok Mukherjee, Director, ONGC Tripura Power Co. Ltd. |
| xv) Shri ISN Prasad, Managing Director, Mangalore SEZ |

* held additional charge of Director (Finance) till 07.09.2008

28.3 Details of Transactions

Joint Ventures

(Rs. in million)

| Details | 2008-09 | 2007-08 |
|---|----------|----------|
| Amount paid /payable for Oil Transfer Services (Ravva) | 78.59 | 46.98 |
| Amount received for use of Drill Site Accommodation (Ravva) | 10.52 | 11.26 |
| Receipt towards Processing Charges (Panna Mukta) | 442.95 | 463.12 |
| Receipt towards transportation Charges (Panna Mukta Tapti) | 3,634.98 | 1,411.60 |
| Amount paid for purchase of Condensate (Tapti) | 8,273.69 | 6,637.11 |
| Amount received towards charges for Gas Metering Station(Panna Mukta) | 48.87 | 83.19 |
| Payment made on behalf of ONGC Petro additions Ltd. | 268.06 | 32.64 |
| Amount received from ONGC Petro additions Ltd. | 286.65 | 128.47 |
| Expenditure incurred on salary of Company's employee deputed in Petronet LNG Limited | 0.76 | 11.36 |
| Expenditure incurred on salary of ONGC employees deputed in ONGC Petro additions Ltd. | 27.66 | Nil |
| Advance (ONGC Petro-additions Ltd.) | 3,290.00 | 1,300.00 |
| Income from rendering services (JVs of OVL) | 46.25 | 263.81 |
| Interest Income (JVs of OVL) | 439.94 | 167.05 |
| Amount Receivable – Panna Mukta | 2,998.74 | - |
| ONGC Petro additions Limited | 9.10 | 27.70 |

28.4 Remuneration Paid to Key Management Personnel as per note 28.02 above Rs. 48.27 million (Previous year Rs. 38.07 million)

29. The Consolidated Segment Information as per Accounting Standard AS-17 for the Company is given below

(Rs. in million)

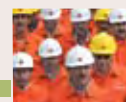
| Particulars | 2008-09 | | | | | | 2007-08 | | | | | | | | |
|---|------------|------------|------------|------------|---------------|--------------|-------------|------------|------------|------------|-------------|---------------|-------------|-------------|--|
| | In India | | | | Outside India | Unallocated | Grand Total | In India | | | | Outside India | Unallocated | Grand Total | |
| | E&P | | Refining | E&P | | | | Refining | | | | | | | |
| | Offshore | Onshore | | Offshore | | | | | Onshore | | | | | | |
| Revenue | | | | | | | | | | | | | | | |
| External Sales | 403,095.52 | 189,329.32 | 339,321.87 | 165,892.32 | 11,426.07 | 1,109,065.10 | 393,820.58 | 171,099.54 | 305,889.62 | 155,593.22 | 8,979.03 | 1,035,381.99 | | | |
| Inter Segment Sales | 53,878.98 | - | 90,161.54 | 17,108.78 | - | 161,149.30 | 47,525.53 | - | 68,950.83 | 11,895.93 | - | 128,372.29 | | | |
| Total Revenue | 456,974.50 | 189,329.32 | 429,483.41 | 183,001.10 | 11,426.07 | 1,270,214.40 | 441,346.11 | 171,099.54 | 374,840.45 | 167,489.15 | 8,979.03 | 1,163,754.28 | | | |
| Results | | | | | | | | | | | | | | | |
| Segment Result Profit(+)/Loss(-) | 188,097.80 | 17,495.19 | 18,663.01 | 59,280.55 | | 283,536.55 | 231,268.49 | (2,983.66) | 18,620.79 | 46,662.12 | | 293,567.74 | | | |
| Unallocated Corporate Expenses | | | | | 5,450.35 | 5,450.35 | | | | | 11,731.86 | 11,731.86 | | | |
| Operating Profit | 188,097.80 | 17,495.19 | 18,663.01 | 59,280.55 | (5,450.35) | 278,086.20 | 231,268.49 | (2,983.66) | 18,620.79 | 46,662.12 | (11,731.86) | 281,835.88 | | | |
| Interest | | | | | 2,385.52 | 2,385.52 | | | | | 1,135.41 | 1,135.41 | | | |
| Interest/Dividend Income | | | | | 35,336.49 | 35,336.49 | | | | | 28,510.32 | 28,510.32 | | | |
| Income Taxes | | | | | 110,093.43 | 110,093.43 | | | | | 106,999.45 | 106,999.45 | | | |
| Profit from Ordinary Activities | 188,097.80 | 17,495.19 | 18,663.01 | 59,280.55 | (82,592.81) | 200,943.74 | 231,268.49 | (2,983.66) | 18,620.79 | 46,662.12 | (91,356.40) | 202,211.34 | | | |
| Extraordinary Gain* | 657.73 | | | | | 657.73 | - | | | | | - | | | |
| Net Profit | 188,755.53 | 17,495.19 | 18,663.01 | 59,280.55 | (82,592.81) | 201,601.47 | 231,268.49 | (2,983.66) | 18,620.79 | 46,662.12 | (91,356.40) | 202,211.34 | | | |
| Other Information | | | | | | | | | | | | | | | |
| Segment Assets | 535,289.87 | 222,655.30 | 107,135.59 | 389,783.23 | | 1,254,863.99 | 433,768.21 | 191,398.37 | 113,481.53 | 213,938.15 | | 952,586.26 | | | |
| Unallocated Corporate Assets | | | | | 296,890.13 | 296,890.13 | | | | | 300,999.11 | 300,999.11 | | | |
| Total Assets | 535,289.87 | 222,655.30 | 107,135.59 | 389,783.23 | 296,890.13 | 1,551,754.12 | 433,768.21 | 191,398.37 | 113,481.53 | 213,938.15 | 300,999.11 | 1,253,585.36 | | | |
| Segment Liabilities | 267,778.48 | 57,971.32 | 59,549.39 | 274,672.73 | | 659,971.92 | 193,077.96 | 67,475.40 | 75,359.89 | 150,879.12 | | 486,792.36 | | | |
| Unallocated Corporate Liabilities | | | | | (30,452.82) | (30,452.82) | | | | | (14,073.14) | (14,073.14) | | | |
| Total Liabilities | 267,778.48 | 57,971.32 | 59,549.39 | 274,672.73 | (30,452.82) | 629,519.10 | 193,077.96 | 67,475.40 | 75,359.89 | 150,879.12 | (14,073.14) | 472,719.22 | | | |
| Capital Expenditure | 186,434.20 | 45,613.20 | 3,612.14 | 87,586.05 | 10,445.07 | 333,690.66 | 105,754.74 | 40,715.05 | 1,511.55 | 26,653.88 | 4,981.05 | 179,616.26 | | | |
| Depreciation** | 95,797.04 | 24,287.46 | 3,873.87 | 30,784.19 | 962.21 | 155,704.77 | 77,137.63 | 20,144.45 | 3,828.51 | 37,516.23 | 906.38 | 139,533.19 | | | |
| Non-cash Expenses | 11,180.78 | 264.10 | 191.94 | 3,479.14 | 233.99 | 15,349.95 | 845.47 | 1,153.52 | 70.86 | 5,670.24 | 68.40 | 7,808.49 | | | |
| * Excess of Insurance Claims over book value | | | | | | | | | | | | | | | |
| ** Also Includes Depletion,Amortization and Impairment Loss | | | | | | | | | | | | | | | |
| Segment Revenue in respect of Onshore segment for the year ended 31 st March,2009 includes Rs.85,198 million (Previous Year Rs. 65,169 million) on account of trading of products of MRPL- a subsidiary of ONGC. | | | | | | | | | | | | | | | |
| Segment Result in respect of Onshore segment for the year ended 31 st March,2009 includes loss of Rs.78 million (Previous Year profit of Rs. 306 million) on account of trading of products of MRPL- a subsidiary of ONGC. | | | | | | | | | | | | | | | |

* Excess of Insurance Claims over book value

** Also Includes Depreciation, Amortization and Impairment Loss

Segment Revenue in respect of Onshore segment for the year ended 31st March, 2009 includes Rs.85,198 million (Previous Year Rs. 65,169 million) on account of trading of products of MRPL- a subsidiary of ONGC.

Segment Result in respect of Onshore segment for the year ended 31st March, 2009 includes loss of Rs.78 million (Previous Year profit of Rs. 306 million) on account of trading of products of MRPL- a subsidiary of ONGC.



Notes :

(i) The annexed matrix presentation depicts the geographical segments based on assets as primary segments and business segments as secondary segments.

(ii) Segments have been identified and reported taking into account the differing risks and returns, the organization structure and the internal reporting systems. These have been organized into the following main geographical and business segments:

Geographical Segments

- a) In India
 - Offshore
 - Onshore
- b) Outside India.

Business Segments

- a) Exploration & Production
- b) Refining

(iii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on reasonable basis. Un-allocated includes common expenditure incurred for all the segments and expenses incurred at the corporate level.

(iv) Inter Segment Sales have been priced at prevailing market rates.

(v) Segment Assets includes Rs.1,539.25 million of Intangible Assets (Previous year – Rs.1,131.94 million)

(vi) Reconciliation of the Segment Revenue with the Revenue as per Schedules 17 , 18 & 24 is given below:

(Rs. in million)

| Particulars | Schedule | Amount | |
|--|----------|-------------|---------------------|
| Sales – As per P&L Account | 17 | | 1,094,133.46 |
| Other Income | 18 | | 50,717.43 |
| Prior period Sales | 24 | | (189.51) |
| Prior period other Income | 24 | | (259.79) |
| Total | | | 1,144,401.59 |
| Less: | | | |
| Income from trade investments | 18 | (2,896.20) | |
| Income from Non trade investments | 18 | (258.94) | |
| Interest income on Deposits with banks/FIs,IT Refund, SRF Fund and carry Finance | 18 | (32,181.35) | (35,336.49) |
| Segment Revenue | | | 1,109,065.10 |

30 Details of Oil and Gas Reserves (as approved by Reserve Estimates Committee)

a) Share of Company and its subsidiaries & joint venture companies in the Proved Reserves on the geographical basis as on 31st March, 2009 is as under:

| | Details | CRUDE OIL(MMT)* | | GAS(BILLION CUBIC METER) | | TOTAL OIL EQUIVALENT (MTOE)** | |
|----------|------------------|-----------------|-----------------|--------------------------|-----------------|-------------------------------|-----------------|
| | | As on 31.3.2009 | As on 31.3.2008 | As on 31.3.2009 | As on 31.3.2008 | As on 31.3.2009 | As on 31.3.2008 |
| Offshore | Opening | 226.420 | 221.740 | 198.011 | 185.401 | 424.431 | 407.141 |
| | Addition | 14.910 | 24.560 | 18.221 | 31.955 | 33.131 | 56.515 |
| | Deduction | | | | | | |
| | Adjustment | - | -0.060 | - | 0.039 | - | -0.021 |
| | Production | 18.620 | 19.940 | 19.520 | 19.306 | 38.140 | 39.246 |
| | Closing | 222.710 | 226.420 | 196.712 | 198.011 | 419.422 | 424.431 |

| | | | | | | | |
|-----------------|------------------|----------------|---------|----------------|---------|----------------|---------|
| Onshore | Opening | 190.340 | 186.150 | 149.206 | 150.905 | 339.546 | 337.055 |
| | Addition | 8.990 | 12.100 | 4.627 | 4.136 | 13.617 | 16.236 |
| | Deduction | | | | | | |
| | Adjustment | - | - | - | - | - | - |
| | Production | 7.570 | 7.910 | 5.708 | 5.835 | 13.278 | 13.745 |
| | Closing | 191.760 | 190.340 | 148.125 | 149.206 | 339.885 | 339.546 |
| Vietnam | Opening | 0.623 | 0.653 | 12.991 | 14.608 | 13.614 | 15.261 |
| | Addition | 0.174 | - | 3.613 | - | 3.787 | - |
| | Deduction | | | | | | |
| | Adjustment | (0.001) | 0.001 | - | - | (0.001) | 0.001 |
| | Production | 0.046 | 0.029 | 1.848 | 1.617 | 1.894 | 1.646 |
| | Closing | 0.752 | 0.623 | 14.756 | 12.991 | 15.508 | 13.614 |
| Sakhalin | Opening | 39.187 | 53.516 | 70.404 | 84.053 | 109.591 | 137.569 |
| | Addition | 0.612 | 4.266 | 0.114 | 10.273 | 0.726 | 14.539 |
| | Deduction | | | | | | |
| | Adjustment | - | 16.361 | - | 23.578 | - | 39.939 |
| | Sale/Transfer | - | - | - | - | - | - |
| | Production | 1.853 | 2.234 | 0.372 | 0.345 | 2.225 | 2.579 |
| | Closing | 37.946 | 39.187 | 70.146 | 70.404 | 108.092 | 109.591 |
| GNOP Sudan | Opening | 22.304 | 23.008 | - | - | 22.304 | 23.008 |
| | Addition | 0.363 | 3.241 | - | - | 0.363 | 3.241 |
| | Deduction | | | | | | |
| | Adjustment | 0.004 | 0.964 | - | - | 0.004 | 0.964 |
| | Sale/Transfer | - | - | - | - | - | - |
| | Production | 2.443 | 2.981 | - | - | 2.443 | 2.981 |
| | Closing | 20.220 | 22.304 | - | - | 20.220 | 22.304 |
| Block 5A, Sudan | Opening | 5.848 | 4.910 | - | - | 5.848 | 4.910 |
| | Addition | 1.016 | 1.232 | - | - | 1.016 | 1.232 |
| | Deduction | | | | | | |
| | Adjustment | (0.005) | - | - | - | (0.005) | - |
| | Sale/Transfer | - | - | - | - | - | - |
| | Production | 0.285 | 0.294 | - | - | 0.285 | 0.294 |
| | Closing | 6.584 | 5.848 | - | - | 6.584 | 5.848 |
| AFPC, Syria | Opening | 3.135 | 1.417 | - | - | 3.135 | 1.417 |
| | Addition | 0.664 | 2.854 | - | - | 0.664 | 2.854 |
| | Deduction | | | | | | |
| | Adjustment | (0.001) | 0.185 | - | - | (0.001) | 0.185 |
| | Sale/Transfer | - | - | - | - | - | - |
| | Production | 0.812 | 0.951 | - | - | 0.812 | 0.951 |
| | Closing | 2.988 | 3.135 | - | - | 2.988 | 3.135 |
| MECL, Columbia | Opening | 2.736 | 10.740 | - | - | 2.736 | 10.740 |
| | Addition | 1.365 | 1.282 | - | - | 1.365 | 1.282 |
| | Deduction | | | | | | |
| | Adjustment | 0.002 | 8.935 | - | - | 0.002 | 8.935 |
| | Sale/Transfer | - | - | - | - | - | - |
| | Production | 0.370 | 0.351 | - | - | 0.370 | 0.351 |
| | Closing | 3.729 | 2.736 | - | - | 3.729 | 2.736 |

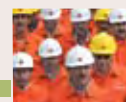


| | | | | | | | |
|---|------------------|---------------|-------|--------------|-------|---------------|-------|
| BC-10 Brazil | Opening | 1.909 | 1.500 | 0.605 | 0.225 | 2.514 | 1.725 |
| | Addition | 0.038 | 0.409 | - | 0.380 | 0.038 | 0.789 |
| | Deduction | | | | | | |
| | Adjustment | 0.001 | - | 0.004 | - | 0.005 | - |
| | Sale/Transfer | - | - | - | - | - | - |
| | Production | - | - | - | - | - | - |
| | Closing | 1.946 | 1.909 | 0.601 | 0.605 | 2.547 | 2.514 |
| Imperial Energy Corporation PLC, Russia | Opening | - | - | - | - | - | - |
| | Addition | 19.022 | - | 3.901 | - | 22.923 | - |
| | Deduction | | | | | | |
| | Adjustment | - | - | - | - | - | - |
| | Sale/Transfer | - | - | - | - | - | - |
| | Production | 0.076 | - | - | - | 0.076 | - |
| | Closing | 18.946 | - | 3.901 | - | 22.847 | - |
| North Ramadan, Egypt | Opening | - | - | - | - | - | - |
| | Addition | 1.344 | - | - | - | 1.344 | - |
| | Deduction | | | | | | |
| | Adjustment | 0.889 | - | - | - | 0.889 | - |
| | Sale/Transfer | - | - | - | - | - | - |
| | Production | - | - | - | - | - | - |
| | Closing | 0.455 | - | - | - | 0.455 | - |
| PIVSA, Venezuela | Opening | - | - | - | - | - | - |
| | Addition | 7.931 | - | - | - | 7.931 | - |
| | Deduction | | | | | | |
| | Adjustment | - | - | - | - | - | - |
| | Sale/Transfer | - | - | - | - | - | - |
| | Production | 0.671 | - | - | - | 0.671 | - |
| | Closing | 7.260 | - | - | - | 7.260 | - |

b) Share of Company and its subsidiaries & joint venture companies in the Proved and Developed Reserves on the geographical basis as on 31st March, 2009 is as under:

| | Details | CRUDE OIL(MMT)* | | GAS(BILLION CUBIC METER) | | TOTAL OIL EQUIVALENT (MTOE)** | |
|----------|-------------------------|-----------------|-----------------|--------------------------|-----------------|-------------------------------|-----------------|
| | | As on 31.3.2009 | As on 31.3.2008 | As on 31.3.2009 | As on 31.3.2008 | As on 31.3.2009 | As on 31.3.2008 |
| Offshore | Opening | 182.900 | 191.350 | 122.892 | 128.753 | 305.792 | 320.103 |
| | Addition | 12.160 | 11.440 | 23.398 | 13.520 | 35.558 | 24.960 |
| | Adjustment | - | - | - | -0.006 | - | -0.006 |
| | Deduction | | | | | | |
| | Adjustment [#] | - | (0.05) | - | 0.069 | - | 0.019 |
| | Sale/Transfer | - | - | - | - | - | - |
| | Production | 18.620 | 19.940 | 19.520 | 19.306 | 38.14 | 39.246 |
| | Closing | 176.440 | 182.900 | 126.770 | 122.892 | 303.21 | 305.792 |

| | | | | | | | |
|--------------------|------------------|----------------|---------|----------------|---------|----------------|---------|
| Onshore | Opening | 148.140 | 144.990 | 112.317 | 114.392 | 260.457 | 259.382 |
| | Addition | 8.580 | 13.160 | 4.961 | 4.342 | 13.541 | 17.502 |
| | Adjustment | - | -2.100 | - | -0.582 | - | -2.682 |
| | Deduction | | | | | | |
| | Adjustment# | | | | | | |
| | Sale/Transfer | - | - | - | - | - | - |
| | Production | 8.230 | 7.910 | 6.209 | 5.835 | 14.439 | 13.745 |
| | Closing | 148.490 | 148.140 | 111.069 | 112.317 | 259.559 | 260.457 |
| Vietnam | Opening | 0.616 | 0.646 | 9.436 | 11.053 | 10.052 | 11.699 |
| | Addition | 0.174 | - | 3.613 | - | 3.787 | - |
| | Deduction | | | | | | |
| | Adjustment | 0.001 | 0.001 | - | - | 0.001 | 0.001 |
| | Sale/Transfer | - | - | - | - | - | - |
| | Production | 0.046 | 0.029 | 1.848 | 1.617 | 1.894 | 1.646 |
| | Closing | 0.743 | 0.616 | 11.201 | 9.436 | 11.944 | 10.052 |
| Sakhalin | Opening | 10.033 | 8.001 | 12.466 | 2.537 | 22.499 | 10.538 |
| | Addition | 2.966 | 4.266 | - | 10.273 | 2.966 | 14.539 |
| | Deduction | | | | | | |
| | Adjustment | - | - | 0.001 | - | 0.001 | - |
| | Sale/Transfer | - | - | - | - | - | - |
| | Production | 1.853 | 2.234 | 0.372 | 0.345 | 2.225 | 2.579 |
| | Closing | 11.146 | 10.033 | 12.093 | 12.466 | 23.239 | 22.499 |
| GNOP Sudan | Opening | 14.035 | 17.980 | - | - | 14.035 | 17.980 |
| | Addition | - | - | - | - | - | - |
| | Deduction | | | | | | |
| | Adjustment | 3.762 | 0.964 | - | - | 3.762 | 0.964 |
| | Sale/Transfer | - | - | - | - | - | - |
| | Production | 2.443 | 2.981 | - | - | 2.443 | 2.981 |
| | Closing | 7.830 | 14.035 | - | - | 7.830 | 14.035 |
| Block 5 A Sudan | Opening | 4.560 | 4.310 | - | - | 4.560 | 4.310 |
| | Addition | - | 0.544 | - | - | - | 0.544 |
| | Deduction | | | | | | |
| | Adjustment | 0.041 | - | - | - | 0.041 | - |
| | Sale/Transfer | - | - | - | - | - | - |
| | Production | 0.285 | 0.294 | - | - | 0.285 | 0.294 |
| | Closing | 4.234 | 4.560 | - | - | 4.234 | 4.560 |
| AFPC, Syria | Opening | 2.743 | 0.840 | - | - | 2.743 | 0.840 |
| | Addition | 0.762 | 2.854 | - | - | 0.762 | 2.854 |
| | Deduction | | | | | | |
| | Adjustment | - | - | - | - | - | - |
| | Sale/Transfer | - | - | - | - | - | - |
| | Production | 0.812 | 0.951 | - | - | 0.812 | 0.951 |
| | Closing | 2.693 | 2.743 | - | - | 2.693 | 2.743 |



| | | | | | | | |
|--|------------------|--------------|-------|---|---|--------------|-------|
| MECL, Columbia | Opening | 2.736 | 1.805 | - | - | 2.736 | 1.805 |
| | Addition | 0.678 | 1.282 | - | - | 0.678 | 1.282 |
| | Deduction | | | | | | |
| | Adjustment | 0.003 | - | - | - | 0.003 | - |
| | Sale/Transfer | - | - | - | - | - | - |
| | Production | 0.370 | 0.351 | - | - | 0.370 | 0.351 |
| | Closing | 3.041 | 2.736 | - | - | 3.041 | 2.736 |
| Imperial Energy Corporation PLC, Russia | Opening | - | - | - | - | - | - |
| | Addition | 2.724 | - | - | - | 2.724 | - |
| | Deduction | | | | | | |
| | Adjustment | - | - | - | - | - | - |
| | Sale/Transfer | - | - | - | - | - | - |
| | Production | 0.076 | - | - | - | 0.076 | - |
| | Closing | 2.648 | - | - | - | 2.648 | - |
| PIVSA, Venezuela | Opening | - | - | - | - | - | - |
| | Addition | 0.727 | - | - | - | 0.727 | - |
| | Deduction | | | | | | |
| | Adjustment | - | - | - | - | - | - |
| | Sale/Transfer | - | - | - | - | - | - |
| | Production | 0.671 | - | - | - | 0.671 | - |
| | Closing | 0.056 | - | - | - | 0.056 | - |

*Crude Oil includes oil condensate and does not include 0.842 MMT of Condensate due to line condensation and 159 MMm3 of CSU off gas.

** MTOE denotes "Million Tonne Oil Equivalent" and for calculating Oil equivalent of Gas, 1000 M3 of Gas has been taken to be equal to 1 MT of Crude Oil.

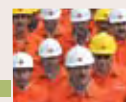
Adjustment due to upgradation of production from proved undeveloped reserves in the previous year to proved developed reserves. Variations in totals, if any, are due to internal summation and rounding off.

31 (i) Details of Expenditure

Details of expenditure incurred during the year on Production, Selling and Distribution, Operation and Maintenance of Pipelines, Exploration, Drilling and Development

| | (Rupees in million) | |
|--|---------------------|-------------------|
| | 2008-09 | 2007-08 |
| Manpower Cost: | | |
| (a) Salaries, Wages, Ex-gratia etc. | 36,636.24 | 39,972.62 |
| (b) Contribution to Provident and other funds | 2,223.62 | 1,848.85 |
| (c) Provision for gratuity | 1,203.79 | 9,337.63 |
| (d) Provision for leave encashment | 3,628.52 | 5,700.53 |
| (e) Provision for post retirement medical & terminal benefits | 2,039.12 | 2,067.93 |
| (f) Staff welfare expenses | <u>4,397.44</u> | <u>3,462.39</u> |
| Sub Total | 50,128.73 | 62,389.95 |
| Consumption of Raw Materials, Store and Spares | 3,02,509.55 | 264,113.61 |
| Cess | 55,788.33 | 58,215.31 |
| Natural Calamity Contingent Duty - Crude Oil | 1,081.40 | 1,126.63 |
| Excise Duty | 47,779.76 | 50,619.96 |
| Royalty | 111,570.44 | 121,057.70 |
| Sales Tax | 7,839.83 | 2,922.20 |
| Octroi/BPT | 4,464.74 | 4,556.48 |
| Service Tax | 2,511.35 | 217.97 |
| Education cess | 1,798.34 | 1,863.56 |
| Rent | 1,554.38 | 1,241.43 |
| Rates and taxes | 491.05 | 493.29 |
| Hire charges of equipments and vehicles | 87,545.48 | 52,743.26 |
| Power, fuel and water charges | 3,021.56 | 3,385.44 |
| Contractual drilling, logging, workover etc. | 69,970.28 | 50,116.25 |
| Contractual security | 1,751.16 | 1,931.71 |
| Repairs to building | 651.74 | 508.48 |
| Repairs to plant and machinery | 2,381.39 | 2,033.21 |
| Other repairs | 3,753.16 | 8,726.53 |
| Insurance | 2,039.83 | 2,030.01 |
| Other Operating Expenditure | 11,372.64 | 8,088.92 |
| Miscellaneous expenditure | 15,874.09 | 15,123.79 |
| Exchange Variation | <u>11,715.95</u> | <u>1,017.46</u> |
| | 797,595.18 | 714,523.15 |
| Less: | | |
| Allocated to exploration, development drilling, capital jobs recoverables etc. | 141,118.82 | 107,267.10 |
| Excise duty | 48,245.55 | 50,527.37 |
| Prior Period Adjustment | <u>(1,959.96)</u> | <u>357.84</u> |
| Production, Transportation, Selling and Distribution Expenditure etc. | <u>610,190.77</u> | <u>556,370.84</u> |

31 (ii) Other operating expenditure above includes the expenses in respect of Sakhalin-1, Russia project, where the above details are not made available by the Operator.



iii) Managerial Remuneration

(Rs. in million)

| | 2008-09 | 2007-08 |
|---|--------------|--------------|
| REMUNERATION PAID OR PAYABLE TO DIRECTORS | | |
| Functional Directors : | | |
| Salaries and Allowances # | 29.71 | 24.30 |
| Contribution to Provident & Other Funds | 1.68 | 1.57 |
| Other Benefits and Perquisites * | 11.87 | 5.30 |
| Leave Encashment and Gratuity on retirement of directors | 1.62 | 0.00 |
| Provision for Leave, Gratuity and Post Retirement Benefits as per revised AS-15 | 2.85 | 6.90 |
| Commission | 0.54 | - |
| Independent Directors : | | |
| Sitting Fees | 4.02 | 1.47 |
| Total | 52.29 | 39.54 |

includes adhoc advance paid on account of pay revision due from 01.01.2007.

* Do not include cost of medical treatment availed from the Corporation's own medical facilities as the amount is not determinable.

iv) Auditors' Remuneration (excluding Subsidiary & JVs of OVL)

(Rs. in million)

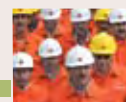
| | 2008-09 | 2007-08 |
|--------------------------------------|--------------|--------------|
| Audit Fees | 9.50 | 9.02 |
| For Certification work etc. | 6.31 | 5.85 |
| Traveling and Out of Pocket Expenses | 15.23 | 13.88 |
| Total | 31.04 | 28.75 |

- 32 In view of the several subsidiaries and Joint Ventures of the company, with each entity operating under different regulatory requirements in different countries and adopting different policies and disclosures, the following information is not disclosed in Consolidated Financial statement due to impracticability :
- Disclosure requirement under Accounting Standards(AS) -15 on Employee Benefit.
 - Disclosure requirement under Accounting Standards (AS)-29 on Provisions, Contingent Liabilities and Contingent Asset.
- 33 (a) The figures in respect of Subsidiaries/Joint Venture Companies have been regrouped/rearranged based upon the details obtained from the management of the subsidiaries/Joint Venture Companies wherever their audited accounts did not provide the breakup details required for consolidated financial statements.
(b) Disclosure requirement in respect of subsidiaries/Joint Venture companies have been disclosed to the extent available from their audited/unaudited accounts.
- 34 Previous year's figures have been regrouped/ reclassified wherever necessary to conform to current year's classification.
- 35 Figures in bracket as given in Notes to the Accounts relate to previous year.
- 36 Figures in the accounts are stated in Rs. millions except those in parenthesis which would otherwise have become Nil on account of rounding off.

Consolidated cash flow statement for the year ended 31st march, 2009

(Rupees in million)

| | Year Ended 31 st March, 2009 | Year Ended 31 st March, 2008 |
|--|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Profit before tax, prior period and extraordinary items | 310,931.42 | 310,140.81 |
| Adjustments For: | | |
| Recouped Costs (Represented by Depreciation, Depletion and Amortisation) | | |
| Gross Amount | 154,245.70 | 138,875.74 |
| Cash Outflows | <u>(66,454.37)</u> | <u>(48,100.05)</u> |
| | 87,791.33 | 90,775.69 |
| -Interest on Borrowings | 2,368.48 | 1,125.10 |
| -Foreign Exchange Loss/(Gain) | 2,973.06 | (629.96) |
| -Provision for Gratuity | 879.70 | 7,326.12 |
| -Provision for Leave Encashment | 2,504.49 | 3,709.74 |
| -Provision for AS-15 Benefits | 2,074.71 | 1,623.26 |
| -Provision for Pay Revision | 48.48 | 8,021.00 |
| -Other Provision and Write offs | 14,702.41 | 6,814.88 |
| -Interest Income | (33,969.49) | (26,732.04) |
| -Excess Provision written Back | (1,473.36) | (1,247.54) |
| -Deffered Government Grant | (7.02) | (11.91) |
| -Dividend Received | (1,353.57) | (1,662.89) |
| -Prepayment Loan Benefit | (18.99) | - |
| -Profit on sale of investment | (3.89) | 10.85 |
| | <u>76,516.34</u> | <u>89,122.30</u> |
| Operating Profit before Working Capital Changes | 387,447.76 | 399,263.11 |
| Adjustments for:- | | |
| -Debtors | (6,238.58) | (29,683.45) |
| -Loans and Advances | (29,233.62) | (1,303.64) |
| -Other Current Assets | 59.33 | 58.76 |
| -Deferred Revenue Expenditure/ Miscellaneous Exp. W/off | 13.59 | (1,803.70) |
| -Inventories | 7,626.64 | (15,023.53) |
| -Trade Payable and Other Liabilities | <u>32,597.31</u> | <u>43,851.86</u> |
| | <u>4,824.67</u> | <u>(3,903.70)</u> |
| Cash generated from Operations | 392,272.43 | 395,359.41 |
| Direct Taxes Paid (Net of tax refund) | <u>(102,442.61)</u> | <u>(105,082.74)</u> |
| Cash Flow before prior period and Extra ordinary Items | 289,829.82 | 290,276.67 |
| Prior period items | 146.98 | 11.87 |
| Net Cash Flow from Operating Activities 'A' | <u>289,976.80</u> | <u>290,288.54</u> |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Fixed Assets (Net) | (102,136.44) | (90,153.03) |
| Exploratory and Development Drilling | (114,253.40) | (77,991.21) |
| Purchase of Investments | (774.76) | (12,596.18) |
| Sale of Investments | 9,792.68 | - |
| Loans and advances to Subsidiary | - | (49.74) |
| Loans to Public Sector Undertakings & Other Bodies Corporate | 492.58 | 44.32 |
| Deposit with Public Sector Undertakings | (20,000.00) | - |
| Foreign Currency Translation Adjustment | (78,800.42) | (267.17) |
| Share of Profit in Associate Company | 98.83 | 20.50 |
| Investment in Associate Company | (150.00) | (73.50) |
| Adjustment of Preoperative expenditure | 65.43 | 321.14 |
| Advance to Sudapet & Carry Finances | 1,633.04 | 4,614.77 |
| Dividend Received from Others | 1,254.73 | 1,791.95 |
| Extraordinary Item-Insurance Claims Received | 657.73 | - |



| | Year Ended 31 st March, 2009 | (Rupees in million) Year Ended 31 st March, 2008 |
|---|--|---|
| Tax paid on Excess of insurance Claim over book value | (223.56) | - |
| Interest Received | 33,646.17 | 20,781.36 |
| Tax paid on Interest Income | (13,013.61) | (9,298.99) |
| Net Cash Flow from Investing Activities 'B' | (281,711.00) | (162,855.78) |
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Proceeds from issue of Share Capital | - | 1,664.77 |
| Proceeds from Government Grants | - | 6.14 |
| Proceeds/(Repayment) of Term Loans/Commercial Papers | 49,675.61 | (3,037.79) |
| Cash Credit Advance | - | (2,945.65) |
| Dividend Paid | (69,373.97) | (66,929.14) |
| Tax on Dividend | (11,655.94) | (11,288.46) |
| Interest Paid | (1,537.89) | (1,122.21) |
| Net Cash Flow from Financing Activities 'C' | (32,892.19) | (83,652.34) |
| Net increase/(decrease) in Cash and Cash Equivalents (A+B+C) | (24,626.39) | 43,780.42 |
| Cash and Cash Equivalents as at 1st April, 2008 (Opening Balance) | 250,486.80 | 206,706.20 |
| Cash and Cash Equivalents as at 31st March, 2009 (Closing Balance) | 225,860.41 | 250,486.62 |

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.
2. Adjustments have not been made to "Purchase of Fixed Assets" (Investing Activities), on account of increase/decrease in Capital Creditors. The impact of the above is not readily ascertainable.
3. Cash and Cash equivalents represent:-

| | 2008-09 | 2007-08 |
|---|-------------------|-------------------|
| a) Cash and Bank Balances and Cheques in hand (Schedule 11A) | 156,331.20 | 186,524.95 |
| b) Deposits with Bank under Site Restoration Fund Scheme (Schedule 11B) | 69,624.35 | 64,033.51 |
| Total | 225,955.55 | 250,558.46 |

4. Cash and Cash equivalent excludes Rs. 95.14 million (Previous year Rs. 71.84 million) in current account/deposit account of interest warrant/refund accounts, under lien, pledge with banks/Govt. authorities in respect of MRPL.
5. The opening cash balance for the current year includes an additional amount of Rs. 0.18 million relating to OTPC due to increase in stake.
6. Cash Balance includes Rs. 2,575.24 million share of jointly controlled entity. (Previous year Rs. 1,252.32 million)
7. Bracket indicates cash outflow.
8. Previous years figures have been regrouped wherever necessary to conform to current year's classification.

For and On behalf of the Board

N. K. Sinha
Company Secretary

D.K. Sarraf
Director (Finance)

R. S. Sharma
Chairman & Managing Director

In terms of our report of even date attached

For Arun K. Agarwal & Associates
Chartered Accountants

Arun Agarwal
Partner (Mem. No. 82899)

For Kalyaniwalla & Mistry
Chartered Accountants

Ermin K. Irani
Partner (Mem. No. 35646)

For Singhi & Co.
Chartered Accountants

Nikhil Singhi
Partner (Mem. No. 61567)

For Padmanabhan Ramani & Ramanujam
Chartered Accountants

G. Vivekananthan
Partner (Mem. No. 28339)

For P.S.D. & Associates
Chartered Accountants

Manish Agarwal
Partner (Mem. No. 406996)

New Delhi
June 24, 2009

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956

| Name of the Employee | Designation | Remuneration | Qualifications | Date of Joining | Experience | Age | Last Employment |
|--|------------------------------|--------------|---|-----------------|------------|-----|-------------------------------|
| Employed for whole of the Financial Year. | | | | | | | |
| P Selvaraj | Dy.Gen Manager (Prodn) | 2,460,036 | ME (Chemistry), BE (Chemistry) | 15/09/1980 | 29 | 53 | - |
| Kamal Kumar Sharma | Chief Manager (MM) | 2,450,581 | MBA, B.Sc (Engg.) | 08/06/1987 | 22 | 47 | - |
| Lakhi Chand Sah | Chief Engr.(Prodn) | 2,450,014 | B. Sc. (Mechanical) | 15/09/1980 | 29 | 56 | - |
| Sunil Jain | Chief Engr.(Drilling) | 2,419,556 | AMIE (Mech) Diploma in Mech. Engg. | 03/05/1984 | 25 | 51 | - |
| K K Singhal | Gen Manager (MM) | 2,411,912 | M.Tech(Chemical), Diploma in Material Mgt,PG Dip. in Business Mgt. B.Sc(Chemical) | 01/04/1989 | 20 | 57 | - |
| Employed for part of the Financial Year. | | | | | | | |
| Ravindra Kumar Singh | Dy.Gen Manager (Prodn) | 2,993,907 | M.E. (Chemical), MBA (HRM) | 11/04/1975 | 34 | 60 | - |
| Laxmi Kanta Konwar | Suptdg. Engr.(Prodn) | 2,934,265 | Intermediate | 02/04/1969 | 40 | 60 | - |
| Ramesh Chand | Dy.Gen Manager (I.E) | 2,881,842 | MBA (Business Administration) | 10/10/1973 | 35 | 60 | - |
| Niladri Kumar Mitra | Director | 2,820,006 | B Sc Engg. (Petroleum) | 11/06/1973 | 36 | 60 | - |
| Surendra Pal Arya | Gen Manager (Geophysics) | 2,785,171 | M. Sc. (Physics) | 12/03/1973 | 36 | 60 | - |
| Raja Ram Dubey | Chief Engr.(Mech) | 2,764,962 | B.E. (Mechanical) | 06/05/1982 | 27 | 60 | - |
| Satish Kumar Nanda | Chief Manager (Reservoir) | 2,733,495 | Ph.D (Chemistry) | 31/07/1973 | 36 | 60 | DBS College |
| Pyare Lal | Dy.Gen Manager (Prodn) | 2,686,780 | N. T. C. (Electronics) | 01/09/1980 | 28 | 60 | - |
| Bidhu Bhusan Datta | Chief Manager (HR) | 2,658,917 | B. A. (Arts) | 07/12/1973 | 35 | 60 | - |
| Satya Narain Singh | Chief Geophysicst (Surface) | 2,624,904 | B. Sc (Physics) M. Sc. (Physics) | 06/05/1975 | 34 | 60 | - |
| Shashank Shekhar Singh | Chief Geophysicst (Surface) | 2,607,296 | M. Sc. (Geophysics) | 18/03/1982 | 27 | 60 | - |
| Roop Chand | Gen Manager (Geophysics) | 2,606,704 | M. Sc. (Physics) | 05/05/1975 | 34 | 60 | CBRI (CSRI) Roorkee |
| Suresh Kumar Puri | Chief Engr.(E & T) | 2,580,914 | N. T. C. (Electronics) | 27/09/1982 | 27 | 60 | - |
| Deba Prosad Mukherjee | Gen Manager (F & A) | 2,571,616 | CA | 01/11/1991 | 17 | 60 | Hindustan Copper Ltd. |
| Hasan Mustafa | Dy.Gen Manager (Mech) | 2,554,291 | B Sc Engg. (Mechanical) | 16/09/1980 | 28 | 60 | - |
| A. Murali Krishna Murthy | Dy.Gen Manager (Prodn) | 2,503,768 | M. Tech (Chemical) | 01/05/1974 | 35 | 60 | IDPL Synthic Drug Pvt.Ltd. |
| Phani Dutta | Suptdg.Engr.(Prodn) | 2,493,193 | Standard X (High School) | 02/04/1969 | 40 | 60 | - |
| Chalil Manappattan Narayanan | Sr.Marine Radio Off.UG-2 | 2,489,380 | Cert.of Proficiency in Marine Radio Operation | 20/11/1979 | 29 | 60 | - |
| Surendra Kumar Ubhan | Manager (HR) | 2,476,292 | N. T. C. (Electronics) | 29/12/1969 | 39 | 60 | - |
| Lokeshwar Mohan | Chief Engr.(Prodn) | 2,470,463 | Diploma (Mechanical) | 01/04/1976 | 33 | 60 | - |
| Debabrata Barvah | Suptdg.Engr.(Mech) | 2,454,680 | Trade Certificate (Turner) | 27/10/1969 | 39 | 60 | - |
| Mannam Venkateswara Rao | Chief Engr.(C&M) | 2,385,631 | B.Tech (Chemical) | 17/04/1979 | 30 | 59 | - |
| Sanjib Chowdhury | Chief Manager (I.E) | 2,385,606 | M. Tech (I.E) | 30/06/1984 | 25 | 52 | Steel Authority of India Ltd. |
| Vijay Kumar Agarwal | Addl.Chief Medical Officer | 2,383,255 | MBBS | 06/06/1983 | 26 | 60 | - |
| Priyabrat Mukherjee | Sr HR Executive | 2,369,208 | N. T. C. (Electronics) | 30/08/1974 | 35 | 60 | - |
| K R Vinayak Rao | Suptdg.Engr.(Mech) | 2,340,476 | Diploma (Mechanical) | 19/06/1984 | 25 | 53 | - |
| Ajay Singh | Suptdg.Engr.(Prodn) | 2,307,098 | Diploma (Mechanical) | 09/02/1973 | 36 | 59 | - |
| Sunil Lalit Modi | Dy.Gen Manager (Drilling) | 2,300,382 | B.E. (Mechanical) | 22/03/1982 | 27 | 52 | - |
| Binoyranjan Mandal | Dy.Gen Manager (F&A) | 2,274,557 | MBA (Finance) | 21/04/1997 | 12 | 60 | Syndicate Bank |
| Murlidhar Shharam Bhagwat | Suptdg.Engr.(Prodn) | 2,272,414 | B. Sc | 13/02/1973 | 36 | 60 | - |
| Jaiwant Singh | Dy.Chief Legal Adviser | 2,242,815 | B. Sc | 01/04/1985 | 24 | 60 | - |
| Sachau Prasad | Dy.Gen Manager(Geophysics) | 2,224,671 | M. Sc. (Physics) | 03/04/1980 | 29 | 60 | - |
| Badri Nath Ganguly | Manager (HR) | 2,198,680 | B. A.M. A. (Public Administration) | 21/06/1975 | 34 | 60 | - |
| Vimal Dass Kararia | Suptdg.Geophysicst (Surface) | 2,179,571 | B. Sc | 20/12/1973 | 35 | 60 | - |
| Chandra Kanta Gogoi | Suptdg.Engr.(Prodn) | 2,168,900 | B. Sc | 17/09/1973 | 35 | 60 | - |
| Bhim Kanta Baruah | Suptdg.Engr.(Prodn) | 2,134,143 | B. Sc | 29/01/1974 | 35 | 60 | - |
| M N Upadhyay | Chief Chemist | 2,128,728 | B. Sc | 04/09/1973 | 35 | 60 | - |
| Prabhat Kumar Saikia | Suptdg. Engr.(Civil) | 2,119,163 | Diploma (Civil) | 12/10/1981 | 27 | 60 | - |
| Ashok Kumar Tyagi | Dy.Gen Manager (Mech) | 2,093,583 | B.E. (Mechanical) | 06/12/1975 | 33 | 60 | - |
| Mahendra Singh Verma | Suptdg. Engr.(Elect) | 2,091,378 | Trade Certificate (Electrical), Competency certificate of Electrical supply | 28/12/1973 | 35 | 60 | - |
| Babu Lal Ghasolia | Executive Director | 2,079,075 | B. E. (Petroleum) | 01/06/1990 | 18 | 60 | Hindustan Copper Ltd. |
| Avijit Chakravarty | Dy.Gen Manager (Drilling) | 2,054,698 | B.Tech (Mechanical) | 23/02/1981 | 28 | 54 | - |
| Rajendra Singh | Suptdg. Engr.(Mech) | 2,051,871 | N. T. C. (Electronics) | 18/10/1977 | 31 | 60 | - |
| Arun Kumar.J Mehto | Ex. Engr.(Mech) | 2,050,466 | N. T. C. (Electronics) | 10/09/1975 | 33 | 60 | - |
| Dilip Kumar Adhyapok | Gen Manager (Medical) | 2,024,890 | MBBS | 03/12/1977 | 31 | 60 | Cabinet Sec |
| Om Prakash Tewari | Chief Manager (Logistics) | 2,014,256 | N. T. C. (Electronics)B. A. (Arts) | 19/07/1968 | 40 | 60 | - |
| Murari Mohan Sahay | Dy.Suptdg.Engr.(Auto) | 2,007,886 | Apprentice Training (Motor Mechanic) | 03/12/1976 | 32 | 60 | - |



| | | | | | | | |
|----------------------------------|-----------------------------|-----------|--|------------|----|----|----------------------------|
| Gulab Singh | Gp.Gen Manager (Prodn) | 2,006,577 | B.E. (Mechanical) | 12/09/1974 | 34 | 60 | - |
| Bal Krishna Maheshwary | Gen Manager (Mech) | 2,004,351 | B.E. (Mechanical) | 25/06/1976 | 32 | 60 | - |
| Rajendra Kumar Kaushik | Suptdg. Engr.(Prodn) | 1,974,611 | Diploma (Mechanical) | 04/08/1983 | 25 | 60 | - |
| Penugonda Raja Rao | Dy.Gen Manager (Prodn) | 1,968,697 | M. Tech (Chemical) | 07/04/1975 | 34 | 60 | - |
| Krishna Lal Roy | Ex.Engr.(Mech) | 1,967,679 | SSCN. T. C. (Electronics)Trade Cert (Fitting) B. Sc Apprentice Training (Fitting) | 05/02/1975 | 34 | 60 | - |
| V K Agrawal | Dy.GenManager (Geophysics) | 1,967,597 | M. Sc (Applied Geophysics) | 18/04/1974 | 34 | 60 | - |
| Nirmal Kumar Poddar | Suptdg.Engr.(Prodn) | 1,965,116 | Trade Cert (Fitting) | 05/03/1969 | 40 | 60 | - |
| Prasun Basak | Dy.Gen Manager (Mech) | 1,931,644 | B.E. (Mechanical) | 29/04/1982 | 27 | 60 | - |
| Rajinder Singh | Gp.Gen Manager (Mech) | 1,901,617 | AMIE (Mechanical) | 11/07/1975 | 34 | 60 | Inspecor |
| V S Jose | Suptdg. Engr.(Prodn) | 1,893,599 | Diploma (Mechanical) | 07/09/1983 | 25 | 60 | - |
| Tarun Kanti Das | Dy.Manager (F & A) | 1,890,253 | B. Com . | 10/09/1969 | 39 | 60 | - |
| Bhupendra Jivabhai Vania | Manager (Logistics) | 1,880,575 | B. A. | 07/01/1976 | 33 | 60 | - |
| Bashisht Muni Tripathi | Dy.Suptdg.Engr.(Mech) | 1,877,752 | Trade Cert (Mechanical) | 05/10/1974 | 34 | 60 | - |
| Jai Prakash L Khatri | Dy.Manager (F & A) | 1,852,299 | SSC | 27/05/1968 | 40 | 60 | - |
| Suraj Prakash Prajapati | Manager (HR) | 1,822,678 | M. A. (Public Administration) | 15/11/1968 | 40 | 60 | - |
| Surinder Kumar Agarwal | Chief Manager (MM) | 1,793,071 | N. T. C. (Electronics)B. A. (Arts) | 02/09/1968 | 40 | 60 | - |
| Pandurang Chintaman Pawar | Dy. Suptdg.Engr.(Institute) | 1,783,022 | N. C. T. V. T. (Instrumentation) | 12/12/1972 | 36 | 60 | - |
| Gajendrasingh Rampalsingh Raghav | Suptdg.Engr.(Prodn) | 1,779,617 | Diploma (Mechanical) | 28/03/1970 | 39 | 60 | - |
| Jagadish Prasad Singh | Dy.Suptdg.Engr.(Mech) | 1,747,850 | Trade Cert (Diesel) | 03/03/1975 | 34 | 60 | - |
| Hari Nath Boruah | Suptdg.Engr.(Prodn) | 1,720,502 | B. Sc | 26/09/1973 | 35 | 60 | - |
| M C Shah | Suptdg.Engr.(Prodn) | 1,714,318 | B. Sc. (Chemistry) | 09/03/1973 | 36 | 60 | - |
| Rajendran B Nair | Suptdg.Engr.(Mech) | 1,713,073 | Diploma (Mechanical) | 17/03/1970 | 39 | 60 | - |
| Banisetty Chandramauli | Suptdg.Engr.(Civil) | 1,706,524 | Diploma (Civil) | 28/06/1968 | 40 | 60 | - |
| Mahesh Chandra Sharma | Ex.Engr.(Prodn) | 1,690,863 | Diploma in Engg. (No Specialisation Mentioned) | 25/01/1969 | 40 | 60 | - |
| K. Venkatraman | Chief Geologist | 1,679,107 | M. Sc (Applied Geology) | 01/06/1984 | 25 | 60 | Geological Survey of India |
| C. Valappil Chandran | Suptdg.Engr.(Mech) | 1,678,015 | Apprentice Training (Welding) | 18/04/1978 | 31 | 60 | - |
| Anadi Charan Mahanti | Suptdg. Mathematician | 1,671,681 | M. Sc. (Mathematics) | 09/09/1980 | 28 | 60 | - |
| Niranjan Datta | Manager (F & A) | 1,663,330 | B. Com . | 13/09/1972 | 36 | 60 | - |
| Om Prakash Naithani | Gen Manager (Elect) | 1,661,496 | B.E. (Electrical) | 19/05/1973 | 35 | 60 | - |
| Subrata Gupta | Dy.Gen Manager (Civil) | 1,653,155 | B.E. (Civil) | 14/04/1981 | 27 | 60 | - |
| D M Kale | Executive Director | 1,650,000 | Ph.D (Physics) | 18/07/1975 | 33 | 60 | - |
| Om Prakash | Dy.Suptdg.Engr.(Drilling) | 1,641,568 | Trade Cert (Mechanic General) | 16/04/1968 | 41 | 60 | - |
| Balvinder Singh | Suptdg.Engr.(Prodn) | 1,631,982 | Diploma (Mechanical) | 31/08/1968 | 40 | 60 | - |
| Madhusudan Roy | Chief Engr.(Civil) | 1,629,211 | B.E. (Civil) | 08/07/1983 | 25 | 60 | Coal India ECL |
| Jai Ram Sharma | Suptdg. Engr.(Prodn) | 1,617,147 | Trade Certificate (Fitting),BA | 28/12/1972 | 36 | 60 | - |
| Hoshir Singh | Dy. Suptdg. Engr.(Elect) | 1,607,540 | N. T. C. (Electronics) | 06/03/1970 | 38 | 60 | - |
| Maj Vinod Krishna | Gen Manager (Corp. Commn) | 1,603,511 | B.E. (Mechanical) MBA | 28/02/1998 | 10 | 60 | Oil India Ltd |
| Neeraj Srivastava | Chief Engr.(Drilling) | 1,602,876 | B Sc Engg. (Mechanical) | 24/04/1984 | 25 | 48 | - |
| Supriya Dey | Chief Engr.(Prodn) | 1,595,145 | B Sc Engg. (Petroleum) | 13/10/1969 | 39 | 60 | - |
| Ajeet Kumar Sinha | Executive Director | 1,590,362 | B Sc Engg. (Petroleum) | 25/04/1970 | 38 | 60 | - |
| Rabisankar Ghosh | Chief Engr.(Prodn) | 1,585,755 | B.E. (Mechanical) | 02/07/1983 | 25 | 60 | - |
| Jawahar Lal Srivastava | Gen Manager (Geophysics) | 1,585,346 | M. Sc. (Geophysics) | 12/03/1976 | 33 | 56 | - |
| Vivekananda Chakravarty | Dy.Gen Manager (Drilling) | 1,578,839 | MBA (Businuess Administration) | 11/05/1982 | 26 | 60 | - |
| Gopal Swarup Saxena | Suptdg.Engr.(Civil) | 1,557,842 | Diploma (Civil) | 18/06/1968 | 40 | 60 | - |
| Vijay Rana | Chief Engr.(Prodn) | 1,551,761 | B.E. (Mechanical) | 22/04/1975 | 34 | 60 | - |
| Girish Kumar Bhatnagar | Gen Manager (Geophysics) | 1,535,622 | M. Sc. (Geophysics) | 22/03/1975 | 33 | 60 | - |
| Rajesh Kumar Bora | Ex.Engr.(Auto) | 1,531,602 | Trade Certificate (Motor Mechanic) | 21/03/1968 | 41 | 60 | - |
| Santosh Kumar Bhattacharjee | Chief Engr.(Mech) | 1,530,886 | N. T. C. (Electronics) | 02/07/1983 | 25 | 60 | - |
| Raman Ram | Gen Manager (Geophysics) | 1,517,648 | M. Sc. (Physics) | 31/12/1979 | 29 | 60 | - |
| Tomizuddin Ahmed | Manager (F & A) | 1,514,692 | B. Com . | 28/02/1973 | 35 | 60 | - |
| Rajiv Kapur | Dy.Gen Manager (C&M) | 1,509,120 | N. T. C. (Electronics) | 19/08/1972 | 36 | 60 | - |
| Jayavant Shripati Bhosale | Dy.Gen Manager (Geology) | 1,493,776 | M. Sc (Applied Geology) | 01/05/1976 | 32 | 58 | - |
| Subodh Kumar Somabhai Patel | Dy. Suptdg.Engr.(Instt) | 1,486,199 | Diploma (Mechanical) | 30/05/1973 | 35 | 60 | - |
| Avtar Krishan Sandhal | Executive Director | 1,474,968 | B Sc Engg. (Mechanical) | 14/02/1975 | 33 | 60 | - |
| Munishwar Singh | Dy.Gen Manager (Geophysics) | 1,459,173 | M. Sc. (Physics) | 21/03/1973 | 35 | 60 | - |
| Rohit Kumar Gajanan Purohit | Suptdg.Engr.(Prodn) | 1,453,449 | B. Sc | 03/03/1976 | 32 | 56 | - |
| Manohar Singh Sidhu | Ex.Engr.(Prodn) | 1,451,009 | N. T. C. (Electronics) | 03/08/1973 | 35 | 60 | - |
| Ranjit Kumar Das | Chief Manager (F & A) | 1,450,784 | B. Com., M.Com | 14/08/1972 | 36 | 60 | - |
| Pravin Kumar Amritlal Modh | Sr. F & A Officer | 1,435,040 | S.S.C | 16/02/1976 | 33 | 55 | - |

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|------------------------------------|-----------------------------|-----------|--|------------|----|----|--------------------|
| Vidya Shanker Dubey | Suptdg.Engr.(Prodn) | 1,433,259 | Diploma (Mechanical) | 29/08/1973 | 35 | 60 | - |
| Kumar Kanti Mandal | Dy.Gen Manager(Chemistry) | 1,429,759 | M. Sc. (Chemistry) | 20/04/1976 | 32 | 60 | - |
| Jagdish Prasad Sharma | Gp.Gen Manager (Prodn) | 1,425,053 | B Sc Engg. (Petroleum) | 30/05/1973 | 35 | 60 | - |
| Shamsul Hai | Chief Engr.(Drilling) | 1,422,866 | B Sc Engg. (Mechanical) | 07/09/1982 | 26 | 60 | Goel Industries |
| M. R. Jagannathan | Chief Engr.(Prodn) | 1,422,223 | B.Tech (Chemical) | 11/03/1982 | 26 | 54 | - |
| Rashmi Gupta | Chief Chemist | 1,409,326 | M. Sc. (Chemistry) | 14/07/1981 | 27 | 51 | - |
| Shiva Chandra Prasad | Gen Manager (Prodn) | 1,409,216 | B Sc Engg. (Petroleum) | 10/10/1969 | 39 | 60 | - |
| Dharam Prakash Jain | Chief Geophysicst (Surface) | 1,399,693 | M. Sc. (Physics) | 09/05/1983 | 25 | 60 | Kendriya Vidyalaya |
| S Nanjunda Swamy | Dy. Gen. Mgr (Palynology) | 1,389,130 | Ph.D (Applied Geology) | 09/10/1980 | 28 | 56 | - |
| Jasbir Singh | Suptdg.Engr.(Institute) | 1,387,273 | N. T. C. (Electronics) | 27/10/1973 | 35 | 60 | - |
| Ashok Kumar Jindal | Gen Manager (Mech) | 1,379,505 | B Sc Engg. (Mechanical) | 06/06/1973 | 35 | 60 | - |
| Bodh Raj Sharma | Dy.Gen Manager (Prodn) | 1,374,999 | B.E. (Mechanical) | 19/03/1968 | 40 | 60 | - |
| Ram Prakash | Chief Engr.(Mech) | 1,370,485 | B.E. (Mechanical) | 29/12/1973 | 35 | 60 | - |
| Indreswar Gogoi | Dy.Manager (F & A) | 1,353,667 | B. A. | 29/09/1972 | 36 | 60 | - |
| Ashok Kumar Bhagwat Lal Kantawala | Suptdg.Engr.(Prodn) | 1,346,145 | B. Sc. (Physics) | 14/04/1975 | 33 | 57 | - |
| Subhash Chandra Sheth | Ex.Engr.(Prodn) | 1,342,113 | N. T. C. (Electronics) | 04/01/1973 | 36 | 60 | - |
| Biswa Nath Chetia | Suptdg.Engr.(Prodn) | 1,340,339 | N. T. C. (Electronics),BA | 21/08/1972 | 36 | 60 | - |
| Ramesh Kumar Sansi | Gp.Gen Manager (Prodn) | 1,325,936 | B. Sc | 21/01/1972 | 36 | 60 | - |
| Zahid Hussain Siddique | Dy.Suptdg.Engr.(Drilling) | 1,322,714 | SSC | 26/02/1970 | 38 | 60 | - |
| Ramesh Kumar Kathuria | Chief Engr.(E & T) | 1,322,494 | M. Sc. (Physics) | 27/04/1977 | 31 | 56 | - |
| Mahendra Umapatisingh Rajput | Chief Engr.(Prodn) | 1,304,828 | S.S.C | 27/12/1971 | 37 | 60 | - |
| P. M. Thomas | Suptdg.Engr.(Prodn) | 1,296,949 | Diploma (Mechanical) | 21/05/1973 | 35 | 60 | - |
| Dalpat Bhai Magan Bhai Makwana | Ex.Engr.(Drilling) | 1,294,149 | Trade Certificate (Fitting) | 08/07/1982 | 26 | 60 | - |
| Sachida Nand Mishra | Chief Geophysicst (Surface) | 1,286,464 | M. Sc. (Geophysics) | 08/01/1975 | 34 | 60 | - |
| Ujam Shi Babubhai Rana | Ex.Engr.(Prodn) | 1,286,047 | Diploma (Civil) | 15/07/1968 | 40 | 60 | - |
| Sohan Waryam Singh | Dy.Suptdg.Engr.(Prodn) | 1,268,055 | S.S.C | 13/12/1966 | 42 | 60 | - |
| Parthasarathi Mukhopadhyay | Chief Engr.(Drilling) | 1,260,767 | B.E. (Mechanical) | 05/09/1985 | 23 | 52 | Burn Std Co-Ltd |
| Shrinivas | Chief Engr.(Prodn) | 1,258,099 | B. Sc. (Agriculture) | 02/06/1970 | 38 | 60 | - |
| Ashis Kumar Banerjee | Dy.Gen Manager (E&T) | 1,257,932 | M. Sc. (Electronics) | 01/02/1969 | 39 | 60 | - |
| Azad Kumar Gupta | Chief Engr.(Prodn) | 1,253,070 | B.E. (Mechanical) | 09/09/1980 | 28 | 60 | - |
| Anil Kumar Gahlaut | Gen Manager (Prodn) | 1,243,073 | B Sc Engg. (Petroleum) | 25/04/1970 | 38 | 60 | - |
| Lalji Maurya | Ex.Engr.(Auto) | 1,233,252 | SSC | 08/06/1967 | 41 | 60 | - |
| Yeluri Krishna Murthy | Suptdg.Engr.(Institute) | 1,209,927 | N. T. C. (Electronics) | 28/12/1972 | 36 | 60 | - |
| Augustine A Lobo | Sr.Marine Radio Off.UG-2 | 1,203,234 | Trade Certificate (Wireless Operation) | 03/07/1978 | 30 | 60 | - |
| Vineet Mohan Ghildyal | Dy.Gen Manager (Prodn) | 1,188,874 | B.E. (Chemical) | 16/08/1979 | 29 | 55 | - |
| Antony Aranha | Ex.Engr.(Prodn) | 1,186,135 | SSC | 03/04/1980 | 28 | 60 | - |
| Biswa Nath Lahiri | Manager (MM) | 1,174,956 | MBA (Businss Administration) | 27/06/1983 | 25 | 60 | - |
| Radhey Shyam Tyagi | Dy.Gen Manager (Elect) | 1,171,699 | B.E. (Electrical) | 22/03/1982 | 26 | 60 | - |
| Manish Mishra | Manager (Logistics) | 1,169,264 | B.E. (Mechanical) | 11/09/1990 | 18 | 45 | - |
| Upendra C Pancholi | Dy.Suptdg.Engr.(Prodn) | 1,146,448 | Diploma in Automobile | 21/10/1975 | 33 | 58 | - |
| Anil Kumar Garg | Dy.Gen Manager (Chemistry) | 1,141,835 | Ph.D (Chemistry) | 19/10/1981 | 27 | 60 | - |
| Kantilal Chunilal Kerwadawala | Sr HR Executive | 1,140,699 | N. T. C. (Electronics) | 28/08/1969 | 39 | 60 | - |
| Navinchandra Someshwar Kadia | Suptdg.Engr.(Prodn) | 1,134,761 | B. Sc | 13/02/1973 | 35 | 60 | - |
| Santosh Kumar Mallick | Chief Geophysicst (Wells) | 1,132,614 | M. Sc. (Geophysics) | 04/05/1977 | 31 | 60 | - |
| Kesur Bhai Maganbhai Patel | Ex.Engr.(Prodn) | 1,110,551 | Trade Certificate (Fitting) | 17/05/1975 | 33 | 60 | - |
| Dayal Chandra Mathur | Suptdg.Engr.(Elect) | 1,100,604 | Diploma (Electrical) | 08/07/1969 | 39 | 60 | - |
| Vasudevan Alanthatta Madhathil | Chief Engr.(E&T) | 1,096,871 | Diploma (Mechanical) | 03/05/1982 | 26 | 60 | - |
| Bhalchandra Harishchandra Karbhari | Suptdg.Engr.(Drilling) | 1,091,010 | SSC | 30/11/1973 | 35 | 60 | - |
| Madanlal Dutt | Suptdg.Engr.(Elect) | 1,079,633 | N. T. C. (Electronics) | 01/11/1977 | 31 | 60 | Indian Navy |
| Laxmi Shankar Chaturvedi | Ex.Engr.(Drilling) | 1,073,944 | N. T. C. (Electronics) | 15/11/1975 | 33 | 60 | - |
| Surendra Kumar Chawla | Ex.Engr.(Prodn) | 1,073,773 | Diploma (Mechanical) | 06/03/1980 | 28 | 54 | - |
| Rajendra Kumar Rawat | Suptdg.Engr.(C&M) | 1,055,852 | Diploma (Mechanical) | 05/08/1983 | 25 | 60 | - |
| N Pal Choudhury | Manager (Logistics) | 1,050,770 | Diploma (Mechanical) | 16/09/1974 | 34 | 60 | - |
| Ranjit Singh Lamba | Gp.Gen Manager (Comm.) | 1,045,752 | N. T. C. (Electronics) | 22/01/1973 | 36 | 60 | - |
| Amrit Lal | Suptdg.Engr.(Institute) | 1,034,711 | Trade Certificate (Instrumentation) | 11/09/1974 | 34 | 60 | - |
| Om Prakash Srivastava | Gp.Gen Manager (Geophysics) | 1,030,905 | N. T. C. (Electronics) B. Sc., M. Sc. (Geophysics) | 02/11/1967 | 41 | 60 | - |



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|----------------------------------|---------------------------|-----------|---|------------|----|----|---------|
| Birendra Nath Sarma | Chief Geologist | 1,018,081 | M. Sc. (Geology) | 31/12/1976 | 31 | 60 | - |
| D. J. Kayastha | Dy.Manager (F&A) | 1,015,708 | S.S.C | 17/08/1967 | 41 | 60 | - |
| Jugal Chandra Das | Suptdg.Engr.(Prodn) | 1,009,308 | Diploma (Mechanical) | 19/11/1984 | 24 | 60 | - |
| Imam Khan Rehmat Khan Khokhar | Suptdg.Engr.(Prodn) | 1,003,740 | B. Sc | 09/03/1973 | 35 | 60 | - |
| Babaji Tukaram Naik | Suptdg.Engr.(Prodn) | 995,347 | Diploma (Mechanical) | 26/05/1984 | 24 | 60 | - |
| Shri Krishan Chand Mathur | Gen Manager (F&A) | 992,060 | CA | 01/03/2000 | 8 | 60 | CMC Ltd |
| L. S. Sompura | Suptdg.Engr.(Prodn) | 990,683 | B. Sc | 15/02/1973 | 35 | 60 | - |
| Harish Chander | Chief Engr.(Drilling) | 987,163 | AMIE (Mechanical) | 01/12/1975 | 32 | 60 | - |
| Himangshu Kumar Roy | Suptdg.Engr.(Civil) | 973,744 | Diploma (Civil) | 13/07/1984 | 24 | 60 | - |
| Shiv Narayan Pal | Suptdg.Engr.(Mech) | 970,953 | Trade Certificate (Fitting) | 14/07/1975 | 33 | 60 | - |
| Ganga Saran Gupta | Ex.Engr.(Mech) | 969,511 | Class VIII Std. | 08/02/1968 | 41 | 60 | - |
| Anup Narayan Jha | Dy.Suptdg.Engr.(Mech) | 967,276 | Trade Certificate (Fitting) | 04/12/1968 | 40 | 60 | - |
| Anita Takru Rathore | Gen Manager (HR) | 950,213 | PG Diploma (Journalism) | 12/03/1976 | 32 | 60 | - |
| Sanabhai Lavjibhai Solanki | Suptdg.Engr.(Prodn) | 950,151 | B. A. (Arts) | 03/02/1969 | 39 | 60 | - |
| Jayendrakumar Virchandbhai Patel | Ex.Engr.(Prodn) | 948,563 | N. T. C. (Electronics) | 09/04/1990 | 18 | 43 | - |
| Ram Prasad | Ex.Engr.(Auto) | 944,846 | B.E. (Mechanical) | 07/04/1977 | 31 | 60 | - |
| Divakaran Kunju | Suptdg.Engr.(Prodn) | 934,539 | B. A. | 02/11/1984 | 24 | 60 | - |
| Gurmit Singh | Suptdg.Engr.(Mech) | 932,328 | Apprentice Training (Diesel) , N. T. C. (Electronics) | 06/08/1969 | 39 | 60 | - |
| Hiranath Narayan Fandu | Sr.Roustabout UG-1(E1) | 929,693 | SSC | 26/04/1982 | 26 | 60 | - |
| Nedumveetil Sukumaran Menon | Dy.Manager (HR) | 897,571 | N. T. C. (Electronics) | 24/03/1976 | 32 | 60 | - |
| Damodaran Eripanal Kuttan | Suptdg.Engr.(Prodn) | 894,673 | M. A. (Public Administration) | 08/10/1984 | 24 | 60 | - |
| Vallabh Bhai Viram Bhai Patel | Dy.Suptdg.Engr.(Prodn) | 894,350 | B. Sc | 12/02/1973 | 35 | 60 | - |
| Indrajit Yadav | Ex.Engr.(Drilling) | 892,360 | Class IX Std. | 08/10/1975 | 33 | 60 | - |
| Pradeep Kumar Panda | Dy.Gen Manager (Prodn) | 888,399 | M. Tech (Chemical) | 21/06/1983 | 25 | 49 | - |
| Vijay Kumar Amar Singh Nakum | Suptdg.Engr.(Prodn) | 887,926 | N. T. C. (Electronics)Standard X (High School) | 10/05/1968 | 40 | 60 | - |
| Satish Kumar Sobti | Dy.General Manager (E&T) | 885,818 | M. Sc. (Physics) | 29/11/1972 | 35 | 60 | - |
| Gurmit Singh Kamal | Ex.Engr.(Prodn) | 882,124 | Matric | 29/06/1967 | 41 | 60 | - |
| Subhash Chandra Yadav | Dy.Gen Manager (Mech) | 868,963 | AMIE (Mechanical) | 06/05/1968 | 40 | 60 | - |
| Hasmukh Bhai Dahyalal Suthar | Chief Geologist | 866,768 | M. Sc. (Geology) | 16/08/1976 | 32 | 58 | - |
| Ajit Kumar Upadhyay | Sr.Marine Radio Off.UG-2 | 865,549 | MBA (Business Administration) | 21/01/1980 | 29 | 50 | - |
| B J M Suresh | Suptdg.Engr.(Drilling) | 854,339 | B.E. (Mechanical) | 01/11/1989 | 19 | 44 | - |
| Bramha Dev Sharma | Chief Engr.(Prodn) | 853,015 | B.E. | 20/09/1982 | 26 | 52 | - |
| Man Mohan Thapliyal | Suptdg.Engr.(Drilling) | 851,908 | B.E. (Mechanical) | 01/02/1988 | 20 | 45 | - |
| Ram Pal Sharma | Dy.Suptdg.Engr.(Drilling) | 849,445 | S.S.C | 26/10/1968 | 40 | 60 | - |
| Abdulrahim Haji Ismail Holia | Dy.Suptdg.Engr.(Elect) | 844,488 | Certificate of Competency Elect.Supervisor | 19/07/1974 | 34 | 60 | - |
| Rabindra Nath Pandey | Suptdg.Engr.(Mech) | 840,661 | Trade Certificate (Mechanical) | 24/12/1973 | 35 | 60 | - |
| Surampudi Ramamurty Pantulu | Suptdg.Geophysicst (Well) | 824,753 | M. Sc Tech (Applied Geophysics) | 03/08/1983 | 25 | 60 | GSI |
| Yuwrj Bansodkar Narayan | Chief Manager (Reservoir) | 818,311 | M. Sc. (Physics) | 16/08/1982 | 26 | 60 | - |
| Rajesh Kumar Singhal | Suptdg.Engr.(Mech) | 813,304 | Trade Certificate (Fitting) | 06/09/1972 | 36 | 60 | - |
| Somabhai Lakhabhai Vankar | Ex.Engr.(Mech) | 791,582 | Trade Certificate (Turner) | 30/06/1976 | 32 | 60 | - |
| A Jeevan Jaya | Dy.Gen Manager (HR) | 791,287 | Ph.D (Management) | 13/11/1991 | 16 | 60 | - |
| Bichitra Kumar Sinha | Suptdg.Engr.(Mech) | 788,098 | N. C. T. V. T. (Mechanic - Diesel) | 20/04/1976 | 32 | 60 | - |
| D. M. Philips | Ex.Engr. (C&M) | 778,891 | Diploma (Electrical) | 29/09/1984 | 24 | 60 | - |
| Srinivasan Thamayendran | Ex.Engr. (Mech) | 775,254 | N. T. C. (Electronics) | 21/01/1983 | 25 | 60 | - |
| Subhash.Chandra Baburao Pawar | Ex.Engr. (Mech) | 769,217 | Diploma (Mechanical) | 23/10/1989 | 19 | 60 | NAVY |
| Shiv Pujan Ram | Ex.Engr. (Drilling) | 762,128 | Apprentice Training (Fitting) | 03/03/1983 | 25 | 60 | - |
| Shibananda Debnath | Dy.Manager (HR) | 755,856 | B. Com . | 16/08/1969 | 39 | 60 | - |
| R. R. Senma | Sr.Chemist | 753,256 | B. A. (Arts) | 03/08/1968 | 40 | 60 | - |
| Jashvantbhai B. Patel | Ex.Engr.(Prodn) | 746,586 | Diploma (Mechanical) | 19/09/1981 | 27 | 52 | - |
| Azad Singh Rawat | Sr. M.M. Officer | 740,607 | Intermediate | 27/01/1983 | 25 | 60 | - |
| Sunahara Singh | Suptdg.Engr.(Elect) | 738,212 | B.E. (Electrical) | 06/06/1984 | 24 | 50 | - |
| K. Mariamma Thomas | Dy.Manager (F & A) | 734,781 | S.S.C | 19/02/1973 | 35 | 60 | - |
| Kush Kumar Atluri | Chief Engr.(Mech) | 718,749 | B.E. (Mechanical) | 10/10/1979 | 29 | 56 | - |

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|-----------------------------|-----------------------------|---------|---------------------------------|------------|----|----|---------------|
| Bodan Ch Neog | Sr. Fire Officer | 707,271 | Class IX Std. | 05/09/1968 | 40 | 60 | - |
| Suresh Bhadur Thapa | Ex.Engr.(Mech) | 700,768 | Trade Certificate (Welding) | 13/04/1976 | 32 | 60 | - |
| Himadri Ranjan Das | Gen Manager (Prodn) | 664,193 | B.E. (Mechanical) | 30/03/1978 | 30 | 60 | - |
| Yogesh Kumar Singh | Dy.Gen Manager (Elect) | 663,971 | B.E. (Electrical) | 13/04/1981 | 27 | 49 | - |
| Kanak Chandra Roy | Suptdg.Engr.(Drilling) | 638,090 | Diploma (Mechanical) | 06/09/1985 | 23 | 60 | - |
| Sunil Kumar | Suptdg.Geophysicst(Surface) | 630,679 | M.Phil (Physics) | 24/11/1983 | 24 | 52 | - |
| Shrinivas Sakharam Soman | Chief Engr.(Mech) | 615,542 | AMIE (Mechanical) | 29/01/1982 | 26 | 60 | Garrison Engr |
| Jatindra Nath Gogoi | Dy.Suptdg.Engr.(Prodn) | 608,848 | B. Sc | 12/12/1968 | 39 | 60 | - |
| Bijaya Kumar Binakar | Chief Engr.(Instt) | 595,608 | B.E. (Instruentation) | 22/11/1979 | 29 | 54 | - |
| Raju Thirunavukk Arasu | Dy.Gen Manager(Geophysics) | 588,091 | M. Sc. (Physics) | 15/09/1980 | 28 | 52 | - |
| Suresh Kumar Batra | Gen Manager (Prodn) | 576,229 | B.E. (Mechanical) | 29/07/1978 | 30 | 51 | - |
| Chunilal Santram Ahluwalia | Asstt.Ex.Engr.(Elect) | 560,754 | N. T. C. (Electronics) | 11/10/1973 | 35 | 60 | - |
| Gopala Kuttan Pillai | Ex.Engr.(Prodn) | 559,682 | S.S.C | 09/09/1974 | 34 | 60 | - |
| K. A. Oonnittan | Dy.Suptdg.Engr.(Mech) | 556,549 | N. T. C. (Electronics) | 01/08/1969 | 39 | 60 | - |
| Puran Lal | HR Executive | 510,676 | Standard X (High School) | 11/05/1982 | 26 | 60 | ARMY |
| Tejinderjeet Singh | Dy.Suptdg.Engr.(Drilling) | 510,494 | Diploma (Mechanical) | 01/01/1981 | 27 | 52 | - |
| Uma Kanta Gogoi | Asstt.Ex.Engr.(Mech) | 452,167 | Trade Certificate (Fitting) | 31/03/1969 | 39 | 60 | - |
| Prem Kumar Verma | Executive Director | 452,131 | B.Tech (Petroleum) | 14/04/1975 | 33 | 57 | - |
| Neeraj Tiwari | Suptdg.Engr.(Prodn) | 426,627 | B.E. (Mechanical) M. Tech (IE) | 26/10/1991 | 17 | 41 | - |
| Pushparaj D | Chief Manager (MM) | 410,962 | M.E. (Chemical) | 04/11/1982 | 26 | 54 | - |
| Paramjit Singh Lobana | Chief Geophysicst (Surface) | 409,048 | Ph.D (Geology) | 11/11/1983 | 24 | 52 | - |
| Pallekonda Ramesh | Suptdg.Engr.(Prodn) | 390,507 | B.E. (Mechanical) | 22/02/1991 | 17 | 41 | - |
| Singavarapu Anjaneyulu | Chief Geophysicst (Surface) | 344,318 | M. Sc (Applied Geophysics),MBA | 08/03/1985 | 23 | 49 | - |
| Mankal Raju | Dy.Suptdg.Engr.(Prodn) | 328,018 | B.Tech (Chemical) | 12/08/1996 | 12 | 41 | - |
| Balakrishnan | Dy.Suptdg.Engr.(Prodn) | 327,765 | Apprentice Training (Fitting) | 16/04/1984 | 24 | 60 | Simpson & Co |
| Yellappa S Pujari | Ex.Engr.(Prodn) | 324,548 | S.S.C | 11/03/1969 | 39 | 60 | - |
| Ganti Narayan Murthy | Suptdg.Geologist | 316,953 | M. Sc (Geology) | 26/07/1988 | 20 | 46 | - |
| Challa V. S. Narayan Prasad | Suptdg.Geologist | 298,449 | M. Sc (Applied Geology) | 23/04/1985 | 23 | 47 | - |
| N. Praveen Kumar | Suptdg.Engr.(Prodn) | 293,913 | B.E. (Chemical) MBA (Finance) | 23/08/1990 | 18 | 42 | - |
| Dudhabhai Jethabhai Parmar | Fire Officer | 293,850 | Diploma in Engg. | 31/01/1969 | 39 | 60 | - |
| Dharmendra Kumar Ojha | Chief Geophysicst (Surface) | 280,212 | M. Sc. (Physics) | 03/09/1984 | 24 | 49 | - |
| Narendra Kumar Kandpal | Chief Engr.(Prodn) | 275,055 | B. Sc | 04/11/1982 | 25 | 52 | - |
| Dasi Nageshwara Rao | Ex.Engr.(Civil) | 248,089 | MBA | 08/12/1988 | 19 | 44 | - |
| Akshaya Kumar Dhabria | Suptdg.Engr.(Drilling) | 237,758 | B.E. (Mechanical) | 01/11/1989 | 19 | 42 | - |
| Sunil Nilkanth Chitre | Suptdg.Engr.(Prodn) | 200,720 | B.E. (Petroleum) | 30/08/1990 | 18 | 43 | - |
| Kasinadhuni N.M Prasad | Suptdg.Engr.(Prodn) | 200,448 | B.Tech (Chemical) | 21/08/1990 | 18 | 44 | - |

Notes:

Remuneration includes salary, allowances, leave encashment, leave travel concession, reimbursement of medical expenses to employees and employer's contribution to Provident Funds. In addition, the employees are entitled to gratuity/group insurance in accordance with Company's Rules.

Electronic Clearing Services

Electronic Clearing Services (ECS) Request Form

The Company extends the ECS facility to shareholders so as to enable them to receive dividend through electronic mode to their bank. This facility will be available in the following centres: Ahmedabad, Bangalore, Bhubaneswar, Chandigarh, Chennai, Delhi, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, Patna, Thiruvananthapuram, Agra, Allahabad, Amritsar, Aurangabad, Baroda, Bhopal, Calicut, Cochin, Coimbatore, Dehradun, Erode, Gorakhpur, Gwalior, Hubli, Indore, Jabalpur, Jalandhar, Jammu, Jamshedpur, Jodhpur, Kolhapur, Lucknow, Ludhiana, Madurai, Mangalore, Mysore, Nasik, Panjim, Pune, Raipur, Rajkot, Salem, Shimla, Surat, Trichur, Trichy, Udaipur, Varanasi, Vijayawada, Vishakhapatnam. Those who wish to avail the facility may fill up the ECS form given below and send the same to the Share Transfer Agent of the Company- M/s Karvy Computershare Private Limited in case of shares held in physical form and to their respective Depository Participant in case of shares held in Electronic/Demat form.

Electronic Clearing Services (ECS) Request Form

(Note: If you are already receiving dividend through ECS, please ignore this form)

| SHAREHOLDERS IN PHYSICAL FORM | SHAREHOLDERS IN DEMAT FORM |
|--|--|
| <p>Karvy Computershare Pvt. Ltd Unit – ONGC , 17-24, Vittal Rao Nagar Madhapur, Hyderabad – 500 081 Andhra Pradesh – India Tel: 040 23420815-819, Fax : 040 23420814</p> | <p>To be sent to Your Depository participant (DP)</p> |

Dear Sir,

Subject : ECS Mandate/ Bank Mandate form for Dividend Payment

I, the undersigned, shareholder of Oil and Natural Gas Corporation Limited (ONGC), wish to opt for ECS facility for payment of dividend. The following is a confirmation of my details and I hereby confirm my choice to opt for payment of dividend through ECS.

I understand that ONGC also reserves the right to send the dividend payable to me by a physical dividend warrant/demand draft, on account of any circumstances beyond the control of ONGC, that may affect payment of dividend through ECS.

- 1) For shares held in physical form
Folio No:
- 2) For shares held in Electronic form [Shareholders holding shares in electronic form should forward this form to their respective Depository Participant (DP)]

[illegible]

- ### 3) Name & Address

- #### 4) Bank Particulars:

| |
|--|
| Bank Name |
| Branch Name & Address |
| Account No. (as appearing in cheque book) |
| Account type |
| 9 digit MICR code as appearing on the cheque |

Signature of Sole/First Shareholder





Proxy Form

Oil and Natural Gas Corporation Limited

Registered Office: Jeevan Bharati Bldg., Tower-II, 124 Indira Chowk, New Delhi-110 001

D.P ID.*

Master Folio No.

Client ID.*

No. of share(s) held

I/We.....
.....of.....being a member(s) of OIL AND NATURAL GAS CORPORATION LIMITED hereby
appoint Mr./ Ms.....of..... or failing
him / her of as my/our proxy to vote for me/us on my/our behalf at the 16th Annual
General Meeting to be held on Wednesday, the 23rd September, 2009 at 10.00 A.M. or at any adjournment thereof.

Signed this day of 2008

Please
affix Re. 1
Revenue
Stamp

*Applicable for investor holding Share(s) in electronic form.

Note: The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the scheduled time of the aforesaid meeting.

TEAR HERE

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Attendance Slip

Oil and Natural Gas Corporation Limited

Registered Office: Jeevan Bharati Bldg., Tower-II, 124 Indira Chowk, New Delhi-110 001

Please fill in attendance slip and hand it over at the entrance of the meeting venue:

D.P ID.*

Master Folio No.

Client ID.*

No. of share(s) held

I certify that I am a member/proxy for the member of ONGC.

I hereby record my presence at the 16th Annual General Meeting of the Company held on **Wednesday, the 23rd September, 2009 at 10.00 A.M. at Siri Fort Auditorium, New Delhi-110 049**

Member's/Proxy's name in Block Letters

Signature of Member/Proxy

*Applicable for investor holding Share(s) in electronic form





